

# EXHIBIT 3

1 ALEX G. TSE (CABN 152348)  
2 Acting United States Attorney  
3 THOMAS MOORE (ALBN 4305-O78T)  
4 Assistant United States Attorney  
5 Chief, Tax Division  
6 CYNTHIA L. STIER (DCBN 423256)  
7 Assistant United States Attorney  
8 11th Floor Federal Building  
9 450 Golden Gate Avenue, Box 36055  
10 San Francisco, California 94102  
11 Telephone: (415) 436-7000  
12 Fax: (415) 436-7009

13 Attorneys for United States of America

14 UNITED STATES DISTRICT COURT

15 NORTHERN DISTRICT OF CALIFORNIA

16 SAN FRANCISCO DIVISION

17 JOHN SPOTTISWOOD and NANCY ) Case No. 17-CV-00209-MEJ  
18 MIYASAKI, )  
19 Plaintiff, ) DECLARATION OF CYNTHIA STIER IN  
20 v. ) SUPPORT OF MOTION FOR SUMMARY  
21 UNITED STATES OF AMERICA, ) JUDGMENT  
22 Defendant. )  
23 ) Judge: Hon. Maria-Elena James  
24 ) Date: March 1, 2018  
25 ) Time: 10:00 a.m.  
26 )  
27 )  
28 )

I, Cynthia Stier, do hereby declare as follows:

1. I am an Assistant United States Attorney for the Northern District of California, and in  
2 such capacity represent the defendant, the United States of America, in this action. I have personal  
3 knowledge of the facts set forth in this declaration and, if called upon to do so, could and would testify  
4 competently thereto.

2. As part of my duties, I was the Assistant United States Attorney assigned to this case.

3. As part of my duties, I received the administrative file from the Internal Revenue Service  
which contains documents pertaining to this refund case. As part of the administrative file, I received

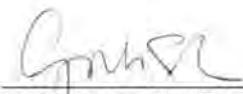
1 the following Exhibits which are submitted in support of the Motion for Summary Judgment, and are  
2 submitted with this Declaration as Exhibits 3A and 3B:

3 Exhibit 3A, a letter from John Spottiswood to the IRS, with a submission date of April 27, 2015;

4 Exhibit 3B, the Claim for Refund [Form 843] for Plaintiffs for the 2012 tax year.

5 I declare under penalty of perjury that the foregoing is true and correct to the best of my  
6 knowledge.

7 Executed on 1-22-18

  
\_\_\_\_\_  
CYNTHIA STIER  
Assistant U.S. Attorney

# EXHIBIT 3A

John Spottiswood  
201 Rockridge Road  
San Carlos, CA 94070  
415-806-8995

VR  
PMT

Submission Processing	
	MAY 06 2015
Received	
FRESNO - ICT	

To whom it may concern,

I would like to appeal to the penalties assessed to me for late filing and late payment of my 2012 and 2013 tax returns. I attempted to appeal this over the phone earlier this year and now I am following instructions on the IRS website.

The fees that I am appealing are the following:

- \$89,014.27 Failure to file penalty
- \$41,539.99 Failure to pay penalty
- \$3428.04 Penalty amount for insufficient funds

Submission Processing	
	APR 27 2015
Received	
FRESNO - ICT	

The primary reason for my failure to file and failure to pay was that I believed that I had filed and had paid by taxes in full for 2012. For many years prior to 2012 my taxes had been filed by a tax advisor. The same advisor had filed both my personal return and the return for Grecipes LLC, a limited liability company of which I am the manager. For the 2012 tax year I changed tax advisors due to issues I had with my former advisor, and the new advisor that I brought on for Grecipes LLC would not help file my personal return. On the advice of a colleague, I decided to file my return myself for the first time using Intuit's Turbo Tax software.

I completed the return prior to April 15, 2013 and attempted to e-File both my Federal and California state returns. My California return filed successfully, and my bank statement shows that the Franchise Tax Board successfully withdrew \$238,492 on April 16 based on the taxes that I filed. My Federal Return was completed and returned with my state return, as is always the case when filing state taxes. I am attaching my bank statement with proof of the state taxes paid. You will also notice that I had a significant remaining balance in my account from which I expected my federal taxes would be deducted.

It wasn't until almost 18 months later that I realized that my Federal Tax return had not been successfully filed via Turbo Tax, and that the payment I had attempted to make had never been cashed by the IRS. I discovered this in November of 2014, when I was informed by the IRS that they could not process my 2013 Tax Return because my 2012 return had not been completed. I never received a call or email from Turbo Tax that my 2012 return had not successfully been filed. I also did not receive a call or letter from the IRS, that I am aware of, prior to my attempted filing of my 2013 return.

When I was investigating the issue, I discovered the following by logging back into my Turbo Tax 2012 software. First, I discovered that my return, which I thought had been successfully e-filed, had actually been rejected. If I had realized that there was a chance of rejection I would have mailed in my return, but e-filing seemed like an easier option and it was free with the software. Intuit may have informed me in the fine print that I needed to log back in to make sure that my return had not been rejected, but if so I did not read this fine print. Had I logged back in a few days later I would have realized that the return had been rejected. But I did not log back in until 18 months later.

**IRS** **CA** **RECEIVED** **04 23 2015** **FRESNO** **CAC** **1344**  
The rejection message that I found when I logged back in this past November was error R0000-504-02 -  
Dependent's Social Security number or name doesn't match. I checked with my wife and she discovered

1344



that in the iphone contact card she had shared with me (she keeps our children's social security numbers as a contact card within her iphone) she had mistyped one digit of one of our children's social security numbers. This was our son Jack's ssn. It never occurred to me that such an error could cause my return to be rejected. I certainly wish that I had checked back on Intuit's site 48 hours later to make sure that my return had successfully filed, but it never occurred to me to do so. The Turbo Tax software forced me to correct all issues with my return, so that when I was ready to e-file my return I had every reason to believe that any and all issues had been corrected.

I hope that you will accept my appeal on the basis that an honest mistake was made. If I had realized that my tax return for 2012 had been rejected and that my taxes had not been paid I would definitely have corrected the issue as soon as I discovered it.

There was also a complicating factor with a serious illness that occurred with my father in law, Daniel Miyasaki. My wife learned in late March of 2013 that Dan had pulmonary fibrosis and might be in a state of perpetual decline. This was an extremely challenging period for her and her sister, who were still reeling from the recent loss of their mother. While this family tragedy did not directly impact the rejection of our tax return, I do think it was contributed significantly to the fact that my wife did not notice that the funds for our federal tax return were not withdrawn from our Bank of America account.

If addition to the honesty of the mistake and the tragedy with Nancy's father, I would also ask that you consider that this is my first time not filing taxes since I began filing them in the 1980s. I understand that there is a first time abatement rule, and I hope that you will apply that rule if my appeal is not granted on other grounds.

Finally, I just want to affirm that I do take responsibility for the fact that the US Treasury did not receive my funds on time and that I unintentionally short changed the government of funds they should have received. I realize that the US Treasury had to borrow money to cover these funds that I was unintentionally holding onto. So in addition to paying my 2012 and 2013 taxes in full in February of this year, I also paid the \$26,216.81 in interest that was assessed to me for the late payment for both years.

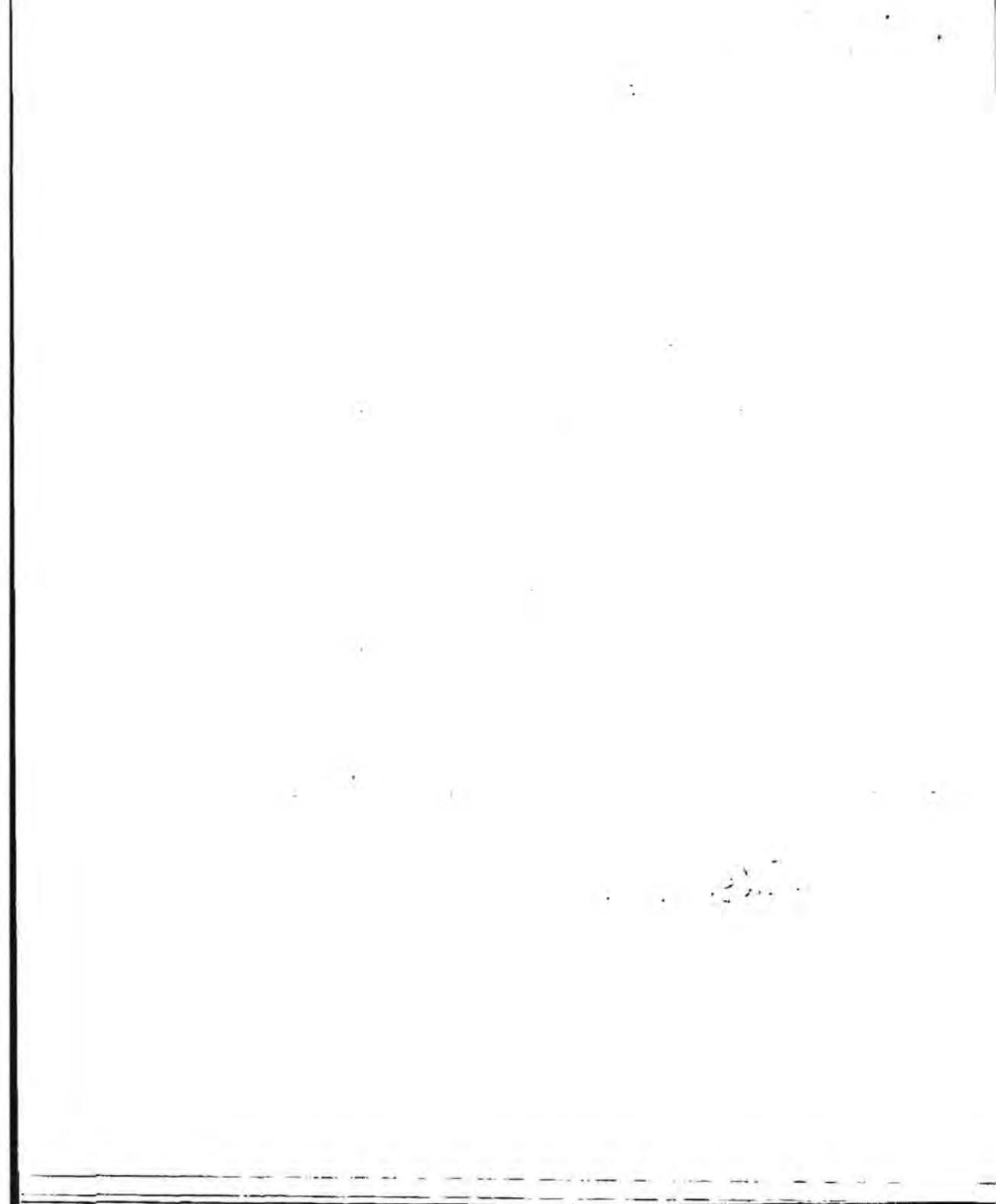
Under the penalties of perjury, I declare that the facts stated in this protest and any accompanying documents are true, correct, and complete to the best of my knowledge and belief.

I sincerely apologize for the confusion that I have caused and will make sure that my future returns are not only filed on time, but also that they are not rejected for any reason including mistyped SSNs.

Thank you for your consideration of this appeal.

Sincerely,  
John Spotswood  
569-79-8696

100-1



201 Rockhouse Road  
San Carlos, CA 94070  
10 J. Sipotoff stamp

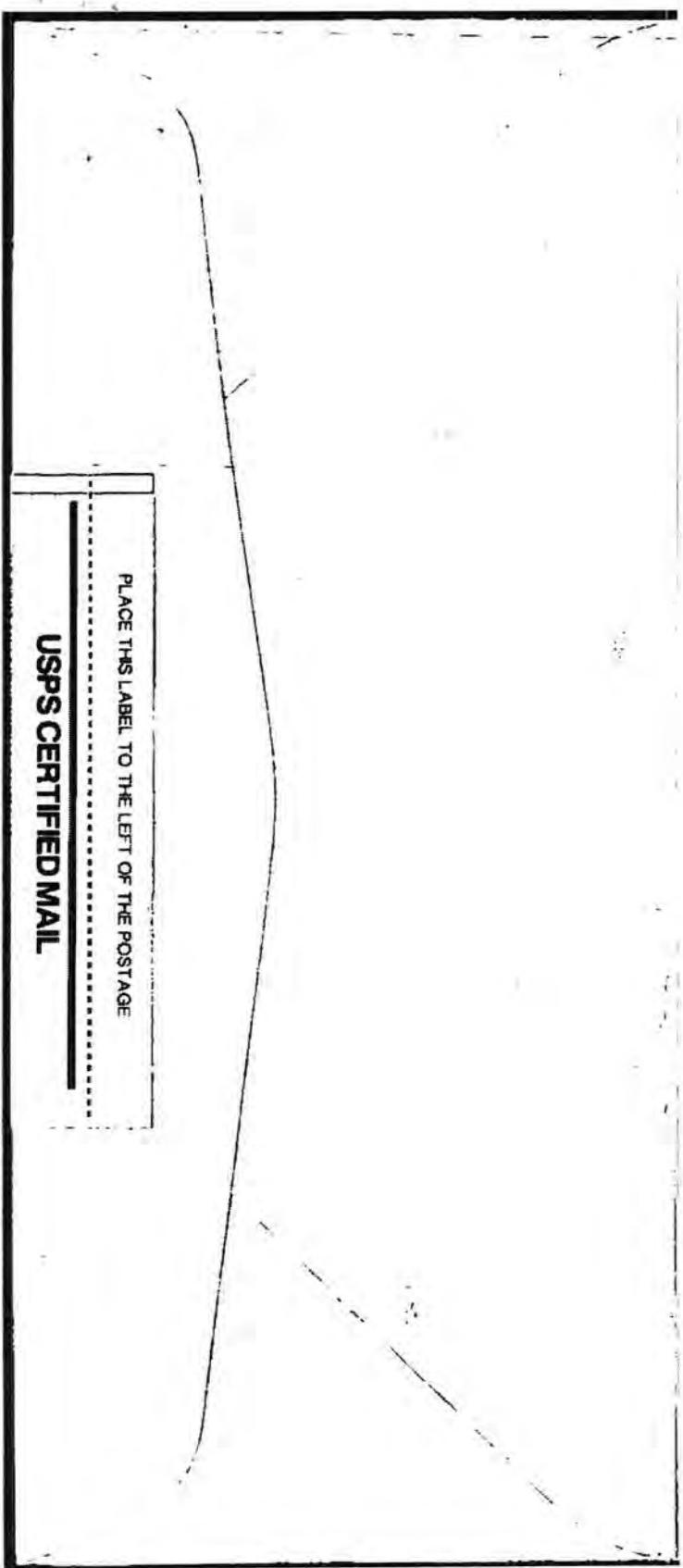


9507 1000 1340 5168 00002 04 0 25

Internal Revenue Service  
Submission Processing Center  
Fresno, CA 93888



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# EXHIBIT 3B

**843**Form  
(Rev. August 2011)  
Department of the Treasury  
Internal Revenue Service**Claim for Refund and Request for Abatement**

OMB No. 1545-0024

► See separate instructions.

Use Form 843 if your claim or request involves:

- (a) a refund of one of the taxes (other than income taxes or an employer's claim for FICA tax, RRTA tax, or income tax withholding) or a fee, shown on line 3,
- (b) an abatement of FUTA tax or certain excise taxes, or
- (c) a refund or abatement of interest, penalties, or additions to tax for one of the reasons shown on line 5a.

Do not use Form 843 if your claim or request involves:

- (a) an overpayment of income taxes or an employer's claim for FICA tax, RRTA tax, or income tax withholding (use the appropriate amended tax return),
- (b) a refund of excise taxes based on the nontaxable use or sale of fuels, or
- (c) an overpayment of excise taxes reported on Form(s) 11-C, 720, 730, or 2290.

Name(s)	Your social security number
JOHN D. SPOTTISWOOD and NANCY A. MIYASAKI	██████████ 8696
Address (number, street, and room or suite no.)	Spouse's social security number
887 ALAMEDA DE LAS PULGAS	██████████ 7402
City or town, state, and ZIP code	Employer identification number (EIN)
SAN CARLOS, CA 94070	N/A
Name and address shown on return if different from above	Daytime telephone number
N/A (SAME)	██████████ 8995
<b>1</b> Period. Prepare a separate Form 843 for each tax period or fee year. From 01/01/2012 to 12/31/2012	<b>2</b> Amount to be refunded or abated: \$ SEE ATTACHED
<b>3</b> Type of tax or fee. Indicate the type of tax or fee to be refunded or abated or to which the interest, penalty, or addition to tax is related. <input type="checkbox"/> Employment <input type="checkbox"/> Estate <input type="checkbox"/> Gift <input type="checkbox"/> Excise <input checked="" type="checkbox"/> Income <input type="checkbox"/> Fee	
<b>4</b> Type of penalty. If the claim or request involves a penalty, enter the Internal Revenue Code section on which the penalty is based (see instructions). IRC section: 6651	
<b>5a</b> Interest, penalties, and additions to tax. Check the box that indicates your reason for the request for refund or abatement. (If none apply, go to line 6.) <input type="checkbox"/> Interest was assessed as a result of IRS errors or delays. <input type="checkbox"/> A penalty or addition to tax was the result of erroneous written advice from the IRS. <input checked="" type="checkbox"/> Reasonable cause or other reason allowed under the law (other than erroneous written advice) can be shown for not assessing a penalty or addition to tax.	
<b>b</b> Date(s) of payment(s) ► 01/07/2015	

<b>6</b> Original return. Indicate the type of fee or return, if any, filed to which the tax, interest, penalty, or addition to tax relates. <input type="checkbox"/> 706 <input type="checkbox"/> 709 <input type="checkbox"/> 940 <input type="checkbox"/> 941 <input type="checkbox"/> 943 <input type="checkbox"/> 945 <input type="checkbox"/> .990-RF <input checked="" type="checkbox"/> 1040 <input type="checkbox"/> 1120 <input type="checkbox"/> 4720 <input type="checkbox"/> Other (specify) ►
---

<b>7</b> Explanation. Explain why you believe this claim or request should be allowed and show the computation of the amount shown on line 2. If you need more space, attach additional sheets.
---

**RECEIVED**  
0472

08 22 2016

**INTERNAL REVENUE SERVICE**

Signature. If you are filing Form 843 to request a refund or abatement relating to a joint return, both you and your spouse must sign the claim. Claims filed by corporations must be signed by a corporate officer authorized to sign, and the officer's title must be shown.

Under penalties of perjury, I declare that I have examined this claim, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

*Douglas Greenberg (Title: Attorney/2848 on file)*

\$116116

Date

Signature (Title if applicable. Claims by corporations must be signed by an officer.)

Date

Signature (spouse, if joint return)		Date	Date
Paid	Preparer's name DOUGLAS GREENBERG	Preparer's signature <i>Douglas Greenberg</i>	Date 8/16/16
Preparer	Firm's name ► LAW OFFICE OF DOUGLAS GREENBERG, P.C.	Firm's EIN ►	PTIN P01454927
Use Only	Firm's address ► 201 SPEAR ST, STE 1100, SAN FRANCISCO, CA 94105	Phone no.	415-287-9990

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 10180R

Form 843 (Rev. 8-2011)



**APPEAL / FORMAL PROTEST****TAXPAYER**

John D. Spottswood  
Taxpayer ID# 560-~~13~~8696  
Nancy A. Miyasaki  
Taxpayer ID# ~~555-1~~-7402  
887 Alameda De Las Pulgas  
San Carlos, CA 94070-3766

**TAX YEAR - 2012**

**TAX FORM - 1040**

**REPRESENTATIVE**

Douglas A. Greenberg  
Law Office of Douglas Greenberg  
201 Spear Street, Suite 1100  
San Francisco, CA 94105  
Ph: (415) 287-9990  
Fax: (415) 738-5440  
CAF#: 0307-81464R

**APPEALS OFFICE**

Internal Revenue Service  
Service Center Penalty Appeals Coordinator  
Attn: Tim Bradshaw  
P.O. Box 24551 (Penalty Appeals)  
Kansas City, MO 64999

**BACKGROUND**

- **Power of Attorney** - a signed power of attorney is attached. See Exhibit A.
- **Penalties** - Taxpayers incurred late filing and late payment penalties (IRC 6651(a)(1)-(a)(2)) for their 2012 Form 1040. See Exhibit B (account transcripts).

- **Request for Appeal** - Taxpayers requested abatement but were denied. See Exhibit C (denial letter).
- **Appeal** - Taxpayers now wish to appeal to the IRS Office of Appeals.

#### STATEMENT OF FACTS

##### **I. E-FILING ERROR**

- **E-Filing Error** - Taxpayers timely e-filed their 2012 1040. See Exhibit D (IRS E-file transcript).
- **Filing Date** - this was e-filed on or before April 12, 2013. See Exhibit D.
- **SSN Typo** - ultimately, the e-filing was rejected because of a typo on a dependent's SSN. See Exhibit E (Turbo Tax error message).
- **No Email / Notification** - Taxpayers were using Turbo Tax and received no email or other notification of the rejection.
- **State Returns E-filed Timely** - as can be seen from their state records, Taxpayers' California state returns were timely filed without issue. See Exhibit F (FTB account summary).

##### **II. PAYMENTS**

- **Auto-Debit** - Taxpayers originally set their returns up to automatically debit the tax due from their bank account. See Exhibit G (copy of tax return).
- **State Tax Auto-Debited** - as their state records show, the California taxes were auto-paid on April 16, 2013. See Exhibit F (FTB account summary).

- **Estimated Payments Made** – in 2012, Taxpayer husband made estimated tax payments toward the 2012 year. See Exhibit B (account transcript).
- **Unusually High Income Due to Sale** – Taxpayers' income was much higher than normal in this year. See Exhibit H (transcripts from surrounding years).
- **Business Sale** - this is because a business was sold in which Taxpayer husband had a significant stake. See Exhibit I (news article).
- **K-1 Statement** – the K-1 from the sold business is attached as Exhibit J.
- **Abnormal Amounts in Bank Accounts** – thus, Taxpayers had abnormally high amounts in their bank accounts and therefore did not notice that the IRS debit had not occurred.
- **Not Tax Professionals** – Taxpayers are not tax professionals and did not clearly understand the tax implications of the sale or how it would impact their underlying liabilities.
- **Self-Prepared Returns** – Taxpayer husband prepared the returns himself to the best of his abilities and set the returns up to auto-pay the balances.

#### LAW

- **IRC §6651(a)(1)** - provides a penalty for late filing an income tax return.
- **IRC §6651(a)(2)** - provides a penalty for failure to timely pay the amount shown on the return.
- **IRC §6651** - provides that both penalties do not apply if the failure is due to reasonable cause.

- Treasury Regs. §301.6651-1(c)(1) - provides that a delay is due to reasonable cause if the taxpayer exercised ordinary business care and prudence.
- IRC §7502(a) - provides that a return is considered "filed" on the date it is delivered to the IRS.
- Treasury Regs. §301.7502-1(c) - further provide that a timely mailed return is considered timely filed.
- Treasury Regs. §301.7502-1(d)(1) - provides that an e-filed document is deemed to be filed on the date of the electronic postmark. Thus, if the electronic postmark is timely, the document is also considered timely filed.
- Beard v. Commissioner, 82 T.C. 766 (1984) - provides that for a return to be sufficient it must:
  1. Purport to be a return;
  2. Be signed under penalties of perjury;
  3. Show an honest and reasonable attempt to satisfy the requirements of the tax law; and
  4. Contain sufficient data to calculate the tax liability.
- Clear Relationship - to qualify for reasonable cause, the cited events must be directly connected to the taxpayer's failure to comply. See IRM 20.1.1.3.3.4.2.
- E-filing Errors - in analogous cases, IRM 20.1.2.4.1 provides relief for e-filing failures for other types of taxpayers. For instance, IRC §6724(a) and Treasury Regs. §301.6724-1 provide a waiver for failure to file a partnership return on electronic media if the partnership made a reasonable effort to meet the e-file requirement and has taken reasonable steps to prevent a recurrence of the failure in future years.



## ANALYSIS

- **Reasonable Cause** - JRC §6651 provides that the late filing and late payment penalties do not apply if the failure is due to reasonable cause. Treasury Regs. §301.6651-1(c)(1) provides that a delay is due to reasonable cause if the taxpayer exercised ordinary business care and prudence.
- **Standard Applied** - in this case, Taxpayers are not tax or finance professionals. They prepared their returns correctly and timely. Taxpayers submitted the returns before the deadline through their consumer tax software. The system gave them a confirmation message. The message reasonably led them to believe that the returns had been properly e-filed. In fact, Taxpayers' state return were actually accepted. The software never sent them any e-mail or notification of the e-filing rejection. Under such circumstances, -
  - Taxpayers exercised the same ordinary business care and prudence that any normal taxpayer would under the same circumstances.
- **Treasury Regs. §301.7502-1(d)(1)** - provides that an e-filed document is deemed to be filed on the date of the electronic postmark. Thus, if the electronic postmark is timely, the document is also considered timely filed. In this case, Taxpayers e-filed their returns before the filing deadline. See Exhibit D (e-filing transcripts)
- **Beard v. Commissioner, 82 T.C. 766 (1984)** - the e-filed return met the requirements of IRC §6011 and Beard to be considered sufficient.
- **Clear Relationship** - to qualify as reasonable cause, the cited events must be directly connected to the taxpayer's failure to comply. See IRM 20.1.1.3.3.4.2. In this case, the



events directly connect to Taxpayers failure to comply. If not for the e-filing rejection, Taxpayers would have timely filed and timely paid.

- **E-filing Errors** - IRM 20.1.2.4.1 provides relief for e-filing failures for other types of taxpayers provided they make reasonable efforts to meet the e-file requirement and take reasonable steps to prevent a recurrence of the failure in the future. In this case, Taxpayers made reasonable efforts to e-file their returns timely and will now double check their e-filing status to prevent a recurrence of this issue in the future.

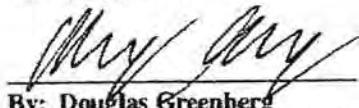
#### CONCLUSION

- In light of the above, Taxpayers' penalties should be abated.

As the Taxpayer's representative, I have prepared this statement and accompanying documents and they are true and correct.

Under penalties of perjury, I declare that the facts presented in this written protest, which are set out in the accompanying statement of facts, schedules, and other statements are, to the best of my knowledge and belief, true, correct, and complete.

John D. Spottswood  
Nancy Miyasaki

  
By: Douglas Greenberg  
Title: Attorney (2848 attached)

8/16/16  
Date



**2848**(Rev. July 2014)  
Department of the Treasury  
Internal Revenue Service**Ex A**  
**Power of Attorney**  
**and Declaration of Representative**► Information about Form 2848 and its instructions is at [www.irs.gov/form2848](http://www.irs.gov/form2848).**Part I Power of Attorney**

Caution: A separate Form 2848 must be completed for each taxpayer. Form 2848 will not be honored for any purpose other than representation before the IRS.

**1 Taxpayer information.** Taxpayer must sign and date this form on page 2, line 7.Taxpayer name and address  
JOHN D. SPOTTISWOOD  
887 ALAMEDA DE LAS PULGAS  
SAN CARLOS, CA 94070

Taxpayer identification number(s)

8696

Daytime telephone number

Plan number (if applicable)

hereby appoints the following representative(s) as attorney(s)-in-fact:

**2 Representative(s) must sign and date this form on page 2, Part II.**Name and address  
DOUGLAS GREENBERG  
201 SPEAR STREET, SUITE 1100  
SAN FRANCISCO, CA 94105

CAF No. 0307-81464R

PTIN 4927

Telephone No. 415-287-9990

Fax No. 415-738-5440

Check if new: Address  Telephone No.  Fax No. Check if to be sent copies of notices and communications 

Name and address

CAF No.

PTIN

Telephone No.

Fax No.

Check if new: Address  Telephone No.  Fax No. Check if to be sent copies of notices and communications 

Name and address

CAF No.

PTIN

Telephone No.

Fax No.

Check if new: Address  Telephone No.  Fax No. 

(Note. IRS sends notices and communications to only two representatives.)

Name and address

Check if new: Address  Telephone No.  Fax No. 

(Note. IRS sends notices and communications to only two representatives.)

Name and address

Check if new: Address  Telephone No.  Fax No. 

to represent the taxpayer before the Internal Revenue Service and perform the following acts:

- 3 Acts authorized [you are required to complete this line 3]. With the exception of the acts described in line 5b, I authorize my representative(s) to receive and inspect my confidential tax information and to perform acts that I can perform with respect to the tax matters described below. For example, my representative(s) shall have the authority to sign any agreements, consents, or similar documents (see instructions for line 5a for authorizing a representative to sign a return).

Description of Matter (Income, Employment, Payroll, Excise, Estate, Gift, Whistleblower, Practitioner Discipline, PLR, FOIA, Civil Penalty, Sec. 5000A Shared Responsibility Payment, Sec. 4980H Shared Responsibility Payment, etc.) (see instructions)	Tax Form Number (1040, 941, 720, etc.) (if applicable)	Year(s) or Period(s) (if applicable) (see instructions)
INCOME, CIVIL PENALTY, INTEREST	1040, 540	1980-2015
FOREIGN FINANCIAL ASSET REPORTING MATTERS	FBAR, 8938	1980-2015
FTB (CALIFORNIA STATE) MATTERS	FTB FORM 540	1980-2015

- 4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. Specific Use Not Recorded on CAF

- 5a Additional acts authorized. In addition to the acts listed on line 3 above, I authorize my representative(s) to perform the following acts (see instructions for line 5a for more information):

Authorize disclosure to third parties;  Substitute or add representative(s);  Sign a return;

Other acts authorized:

For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Cat. No. 11980J

Form 2848 (Rev. 7-2014)



Form 2848 (Rev. 7-2014)

Page 2

- b. Specific acts not authorized. My representative(s) is (are) not authorized to endorse or otherwise negotiate any check (including directing or accepting payment by any means, electronic or otherwise, into an account owned or controlled by the representative(s) or any firm or other entity with whom the representative(s) is (are) associated) issued by the government in respect of a federal tax liability.
- List any specific deletions to the acts otherwise authorized in this power of attorney (see Instructions for line 5b): \_\_\_\_\_

6. Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here  ►

**YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

7. Signature of taxpayer. If a tax matter concerns a year in which a joint return was filed, each spouse must file a separate power of attorney even if they are appointing the same representative(s). If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

**► IF NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THIS POWER OF ATTORNEY TO THE TAXPAYER.**

3.28.16

Signature

Date

Title (if applicable)

JOHN SPOTTSWOOD

Print Name

Print name of taxpayer from line 1 if other than individual

**Part II Declaration of Representative**

Under penalties of perjury, by my signature below I declare that:

- I am not currently suspended or disbarred from practice before the Internal Revenue Service;
  - I am subject to regulations contained in Circular 230 (31 CFR, Subtitle A, Part 10), as amended, governing practice before the Internal Revenue Service;
  - I am authorized to represent the taxpayer identified in Part I for the matter(s) specified there; and
  - I am one of the following:
    - a. Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
    - b. Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
    - c. Enrolled Agent—enrolled as an agent by the Internal Revenue Service per the requirements of Circular 230.
    - d. Officer—a bona fide officer of the taxpayer organization.
    - e. Full-Time Employee—a full-time employee of the taxpayer.
    - f. Family Member—a member of the taxpayer's immediate family (for example, spouse, parent, child, grandparent, grandchild, step-parent, step-child, brother, or sister).
    - g. Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
    - h. Unenrolled Return Preparer—Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have prepared and signed the return. See Notice 2011-6 and Special rules for registered tax return preparers and unenrolled return preparers in the instructions [PTIN required for designation h].
    - i. Registered Tax Return Preparer—registered as a tax return preparer under the requirements of section 10.4 of Circular 230. Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have prepared and signed the return. See Notice 2011-6 and Special rules for registered tax return preparers and unenrolled return preparers in the instructions [PTIN required for designation i].
    - k. Student Attorney or CPA—receives permission to represent taxpayers before the IRS by virtue of his/her status as a law, business, or accounting student working in an LITC or STCP. See Instructions for Part II for additional information and requirements.
    - r. Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).
- IF THIS DECLARATION OF REPRESENTATIVE IS NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THE POWER OF ATTORNEY. REPRESENTATIVES MUST SIGN IN THE ORDER LISTED IN PART I, LINE 2. See the instructions for Part II.**

Note. For designations d-f, enter your title, position, or relationship to the taxpayer in the "Licensing jurisdiction" column. See the instructions for Part II for more information.

Designation— Insert above letter (a-r)	Licensing jurisdiction (state) or other licensing authority (if applicable)	Bar, license, certification, registration, or enrollment number (if applicable). See Instructions for Part II for more information.	Signature	Date
a	CA	285505		312816

Form 2848 (Rev. 7-2014)



Ex B



This Product Contains Sensitive Taxpayer Data

## Account Transcript

Request Date: 04-06-2016  
Response Date: 04-06-2016  
Tracking Number: 100280011375

FORM NUMBER: 1040

TAX PERIOD: Dec. 31, 2012

TAXPAYER IDENTIFICATION NUMBER: [REDACTED] 8696

SPOUSE TAXPAYER IDENTIFICATION NUMBER: [REDACTED] 7402

JOHN D SPOTTISWOOD & N MIYASAKI  
201 ROCKRIDGE RD  
SAN CARLOS, CA 94070-3705-014

<<<POWER OF ATTORNEY/TAX INFORMATION AUTHORIZATION (POA/TIA) ON FILE>>>

--- ANY MINUS SIGN SHOWN BELOW SIGNIFIES A CREDIT AMOUNT ---

ACCOUNT BALANCE: 0.00

ACCRUED INTEREST: 0.00 AS OF: Dec. 28, 2015

ACCRUED PENALTY: 0.00 AS OF: Dec. 28, 2015

ACCOUNT BALANCE PLUS ACCRUALS  
(this is not a payoff amount) 0.00

\*\* INFORMATION FROM THE RETURN OR AS ADJUSTED \*\*

EXEMPTIONS: 06

FILING STATUS: Married Filing Joint

ADJUSTED GROSS INCOME: 3,799,685.00

TAXABLE INCOME: 3,432,870.00

TAX PER RETURN: 553,162.00

SE TAXABLE INCOME TAXPAYER: 0.00

SE TAXABLE INCOME SPOUSE: 0.00

JK  
RECEIVED  
0472

08 22 2016  
INTERNAL REVENUE SERVICE  
KANSAS CITY, KS



TOTAL SELF EMPLOYMENT TAX:

267.00

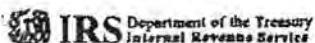
RETURN DUE DATE OR RETURN RECEIVED DATE (WHICHEVER IS LATER) Jan. 07, 2015  
 PROCESSING DATE Feb. 16, 2015

## TRANSACTIONS

CODE	EXPLANATION OF TRANSACTION	CYCLE	DATE	AMOUNT
150	Tax return filed	20150405	02-16-2015	\$553,162.00
n/a	89211-010-07617-5			
806	W-2 or 1099 withholding		04-15-2013	-\$34,646.00
430	Estimated tax payment		09-18-2012	\$100,000.00
756	Credit to your account		04-15-2013	-\$22,897.00
610	Payment with return		01-07-2015	\$395,619.00
176	Penalty for not pre-paying tax	20150405	02-16-2015	\$478.07
166	Penalty for filing tax return after the due date	20150405	02-16-2015	\$89,014.27
276	Penalty for late payment of tax	20150405	02-16-2015	\$41,539.99
196	Interest charged for late payment	20150405	02-16-2015	\$26,216.81
971	Notice issued CP 0014		02-16-2015	\$0.00
670	Payment		03-04-2015	-\$26,216.81
290	Disallowed claim	20153805	10-12-2015	\$0.00
n/a	09254-664-98024-S			
706	Credit transferred in from 1040 201312		01-07-2015	\$130,654.13
197	Reduced or removed interest charged for late payment		10-12-2015	-\$378.20
971	Notice issued CP 0055		10-12-2015	\$0.00
960	Appointed representative		12-08-2015	\$0.00

This Product Contains Sensitive Taxpayer Data





Kansas City MO 64999

Ex C

In reply refer to: 0933527415  
Sep. 28, 2015 LTR 854C 0  
8696 201212 30  
00007536  
BODC: SB

JOHN D SPOTTISWOOD & N MIYASAKI  
201 ROCKRIDGE RD  
SAN CARLOS CA 94070-3705

023967

Taxpayer identification number: [REDACTED]-8696  
Tax periods: Dec. 31, 2012  
Form: 1040

Kind of Penalty: Failure to File  
Failure to Pay

CISZ8FFCWM

Dear Taxpayer:

Thank you for your inquiry dated July 02, 2015.

The information submitted doesn't establish reasonable cause or show due diligence. Therefore, we must deny your request for penalty adjustment.

The duties of filing tax returns and paying taxes may be delegated. However, it is the responsibility of the taxpayer to ensure all returns are filed and all taxes paid timely and correctly.

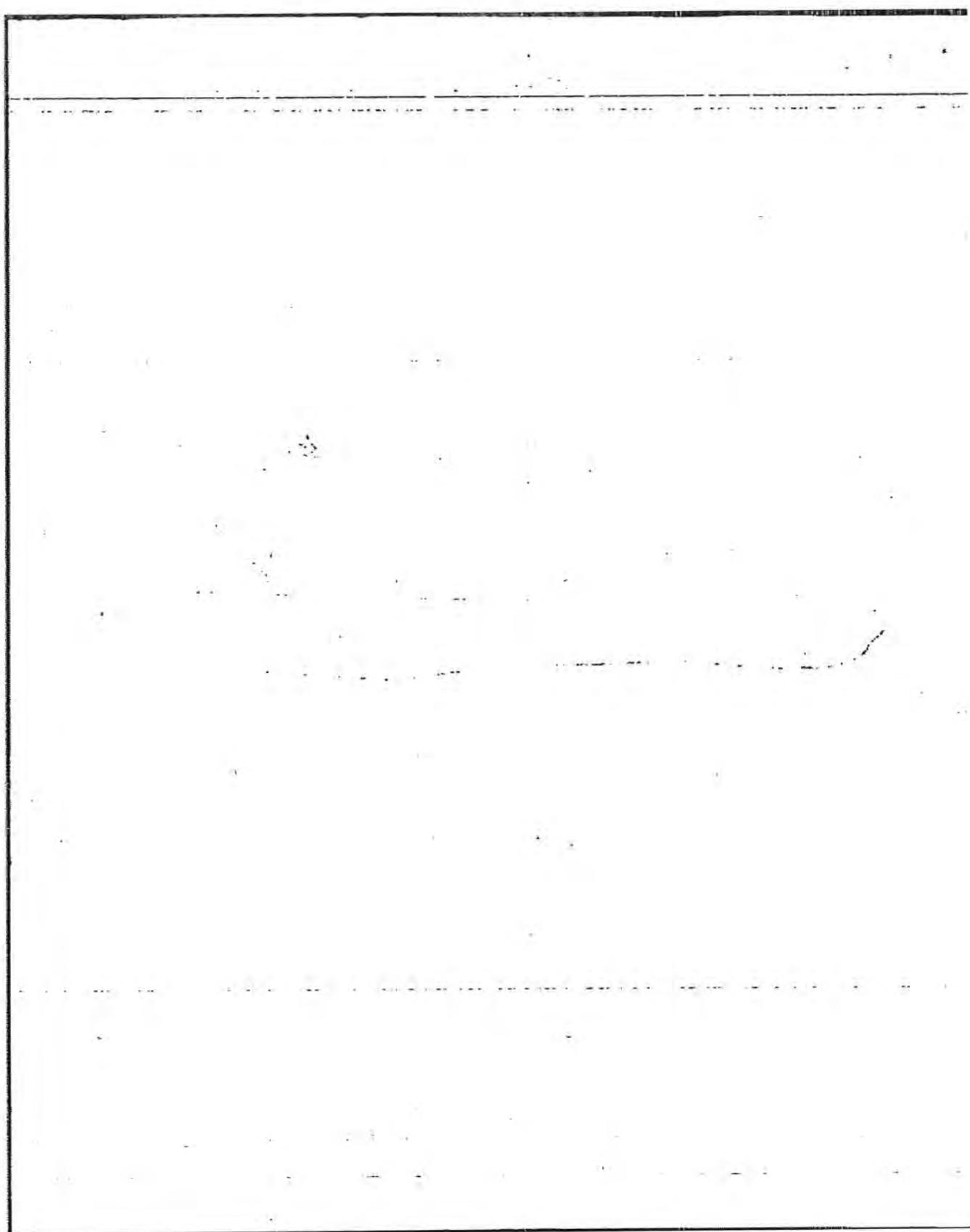
You requested reconsideration by the Appeals Office; however we did not find a record that the 853C letter had been issued to you or denial of the request for penalty abatement.

The current balance due for the period Dec. 31, 2012, is \$133,675.59, which includes penalty of \$104,815.52 and interest of \$28,860.07 figured to Oct. 17, 2015. We'll continue to charge penalties and interest until the amount you owe is paid in full.

We've provided a general explanation of the possible penalties and/or interest included in the current balance due on your account. If you would like a specific explanation of how the amounts were computed on your account, please contact us at the toll-free number shown in this letter and we will send you a detailed computation.

\*\* Filing and/or Paying Late -- IRC Section 6651 \*\*

We charge a 5% penalty for filing late, and a 1/2% penalty for paying late, when a return is filed late and the tax is not paid by the date it was due. When both penalties apply for the same month, the penalty



0933527415  
Sep. 28, 2015 LTR 854C 0  
8696 201212 30  
00007537

- JOHN D SPOTTISWOOD & N MIYASAKI  
201 ROCKRIDGE RD  
SAN CARLOS CA 94070-3705

for filing late is reduced by the amount of the penalty for paying late for that month.

The penalty for filing late is based on the tax ultimately due, which was not paid by the original return due date without regard to extensions.

The penalty for paying late is based on the net unpaid tax at the beginning of each penalty month following the payment due date for that tax.

The penalties are charged for each month or part of a month the return or payment is late; however, neither penalty can be more than 25% in total.

Income tax returns are subject to a minimum penalty if filed late and received more than 60 days after the due date. The minimum penalty is \$135 (\$100 for returns due before 1/1/2009) or 100% of the tax paid late, whichever is less.

The penalty for paying late applies when tax is paid late, even if the return was filed on time. The due date for payment of tax shown on a return generally is the return due date without regard to extensions. Increases in tax must be paid within 21 days of our notice demanding payment (10 business days if the amount in the notice is \$100,000 or more).

If we issue a Notice of Intent-to-L levy and the balance due isn't paid within 10 days from the date of the notice, the penalty for paying late increases to 1% per month.

For individuals who filed on time, the penalty decreases to 1/4% per month while an approved installment agreement with the IRS is in effect for payment of that tax.

\*\* Interest -- IRC Section 6601 \*\*

We are required by law to charge interest when you do not pay your liability on time. Generally, we calculate interest from the due date of your return (regardless of extensions) until you pay the amount in full, including accrued interest and any penalty charges. Interest on some penalties accrues from the date we notify you of the penalty until it is paid in full. Interest on other penalties, such as failure to file a tax return, starts from the due date or extended due date of the return. Interest rates are variable and may change quarterly.

0933527415  
Sep. 28, 2015 LTR 854C 0  
8696 201212 30  
00007538

JOHN D SPOTTISWOOD & N MIYASAKI  
201 ROCKRIDGE RD  
SAN CARLOS CA 94070-3705



If you want to appeal or give us more information, the following will be helpful.

023967

#### APPEALS PROCEDURES

If you have additional information and want your case to receive further consideration by the Office of Appeals, provide a detailed written statement of the dispute issues, along with supporting documentation, to the Service Center Penalty Appeals Coordinator within 60 days from the date of this letter.

It must include:

1. Your name and address;
2. Your social security number or employer identification number;
3. A statement that you want to appeal the findings;
4. A statement of facts supporting your position on the issues you are appealing;
5. If possible, a statement outlining the law or other authority on which you rely;
6. A copy of your original request, if available; and
7. A copy of this letter.

The statement of facts, in 4 above, should be detailed and complete, including specific dates, names, amounts, and locations. You must declare the statement true under penalties of perjury. You may do this by adding to your statement the following signed declaration:

"Under penalties of perjury, I declare that the facts presented in my written protest, which are set out in the accompanying statement of facts, schedules, and other statements are, to the best of my knowledge and belief, true, correct, and complete."

If your authorized representative sends us the protest for you, he or she may substitute a declaration stating that he or she prepared the statement and accompanying documents and whether he or she knows that the statement and accompanying documents are true and correct.

Please send your response to:

Internal Revenue Service  
Service Center Penalty Appeals Coordinator  
Attn: Tim Bradshaw  
P. O. Box 24551 (Penalty Appeals)  
Kansas City MO 64999

The Service Center Penalty Appeals Coordinator will review your appeal

0933527615  
Sep. 28, 2015 LTR 854C 0  
8696 201212 30  
00007539

JOHN D SPOTTISWOOD & N MIYASAKI  
201 ROCKRIDGE RD  
SAN CARLOS CA 94070-3705

information to determine whether the penalty should be removed or reduced. If your appeal can't be resolved immediately with the additional information, the coordinator will send your written statement to the Appeals Office serving your district.

#### REPRESENTATION

An attorney, certified public accountant, or person enrolled to practice before the IRS can represent you. To have someone represent you, attach a Form 2848, Power of Attorney and Declaration of Representative, (or similar written authorization) to your written statement.

Forms, instructions, and Treasury Department Circular 230, Regulations Governing Practice before the Internal Revenue Service, are available from any IRS office. They are also available by calling 1-800-829-3676 and from our website at [www.irs.gov](http://www.irs.gov).

#### OTHER INFORMATION

If taxes are overdue on your account, you'll continue to receive bills, even if you appeal the penalty. If you decide to appeal, you can pay the penalty to avoid further interest charges on the penalty amount. If you appeal the penalty and the Appeals Officer determines you aren't required to pay it, we'll adjust your account and send you a refund.

If you don't appeal, you can file a claim for refund after you pay the penalty. If you want to take your case to court immediately, you should request, in writing, that your claim for refund be immediately rejected. Then you'll be issued a notice of disallowance. You have two years from the date of the notice of disallowance to bring suit in the United States District Court having jurisdiction or in the United States Court of Federal Claims.

If you have questions, you can call us toll free at 1-800-829-8374.

If you prefer, you can write to us at the address at the top of the first page of this letter.

When you write, include this letter and provide in the spaces below your telephone number with the hours we can reach you. Keep a copy of this letter for your records.

Telephone Number (   ) \_\_\_\_\_ Hours \_\_\_\_\_

0933527415

Sep. 28, 2015 LTR 854C 0

8696 201212 30

00807540

JOHN D SPOTTISWOOD & N MIYASAKI  
201 ROCKRIDGE RD  
SAN CARLOS CA 94070-3705



Sincerely yours,

023967

Tonya Williams-Wallace  
Operations Manager, AM Ops I

Enclosures:  
Copy of this letter  
Envelope



E X D

8696 30201212

ACCESS CODE: PAGE 001 OF 001

2016-05-23 12:16:35  
ACCESS FORM TAX TRDB NAME TXPYR FILING INPUT CURRENT  
CODE FAMILY YEAR DT-RCVD CNTRL STATUS SOURCE STATUS  
AA 1040 2012 2015-01-26 DL P 2 PAPER ADDITIONAL TAX ASSESSMENT  
AB 1040 2012 2013-04-12 SPOT P MEFFILE MEF REJECTED

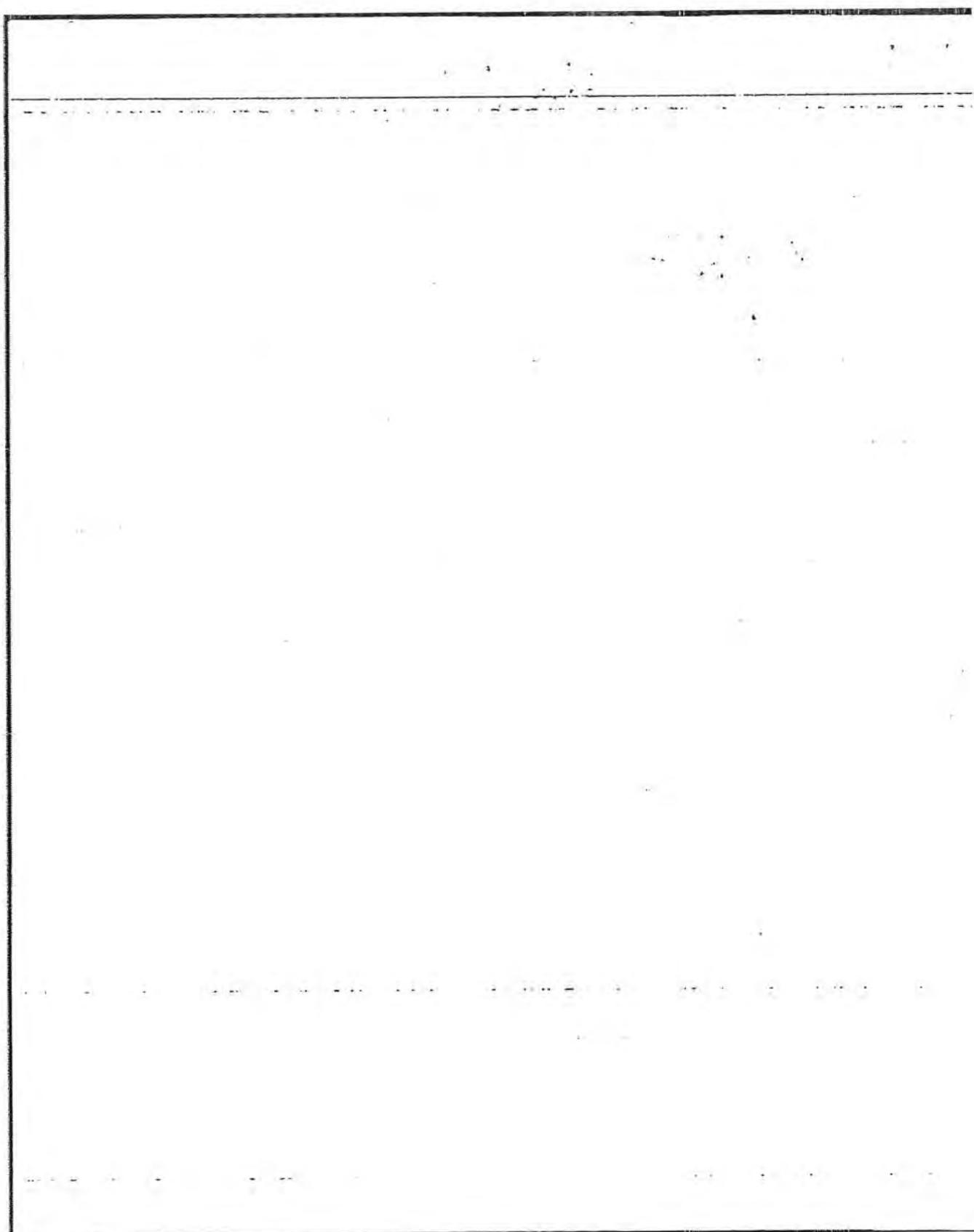
569-79-8696 30201212

AA ACCESS CODE:AA PAGE 001 OF 001

2016-05-23 12:16:35- FORM-FAMILY:1040 -- TAXYR:2012- TRDB-DT-RCVD:2015-01-26 --  
NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER

CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT

ACC-CODE	FORM-TYPE	FORM-COUNT	ACC-CODE	FORM-TYPE	FORM-COUNT
IA	1040	1			
IB	SCH-A	1			
IC	SCH-D	1			
ID	SCH-E	1			
IE	SCH-SE	1			
IF	380C	1			
IG	4797	1			
IH	4952	1			
II	6251	1			
IJ	WORK-HIST	1			
IK	CODES	1			
IL	STAT-HIST	1			
IM	SSN-VALDN	1			



-8696 30201212 AAIA ACCESS CODE:QA PAGE:001 OF 006  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:1040 OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

INDIVIDUAL NAME :  
FILER SSN : 8696  
TIN TYPE : O  
TAXPAYER CODE : P  
T NAME CONTROL NAME : SPOT  
FIRST NAME : JOHN  
MIDDLE NAME : D  
LAST NAME : SPOTTISWOOD

INDIVIDUAL NAME :  
FILER SSN : 7402  
TIN TYPE : O  
TAXPAYER CODE : S  
T NAME CONTROL NAME : SPOT  
FIRST NAME : N  
LAST NAME : MIYASAKI

569-79-8696 30201212 AAIA ACCESS CODE:QA PAGE:002 OF 006  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:1040 OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

ADDRESS :  
STREET ADDRESS : 887 ALAMEDA DE LAS P  
ULGAS  
CITY NAME : SAN CARLOS  
STATE CODE : CA  
ZIP CODE : 94070  
ZIP PLUS FOUR CODE : 3766  
ZIP DELIVERY CHECK POINT CODE : 873

DEPENDENT :  
NAME CONTROL NAME : SPOT  
6C2 DEPENDENT SSN : 7491  
6C4 ELIGIBLE FOR TAX CREDIT IND : Y

DEPENDENT :  
NAME CONTROL NAME : SPOT  
6C2 DEPENDENT SSN : 0153



8696 30201212 AAIA ACCESS CODE:QA PAGE:003 OF 006

2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
 FORM: 1040 OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

6C4 ELIGIBLE FOR TAX CREDIT IND Y

DEPENDENT :  
 NAME CONTROL NAME SPOT  
 6C2 DEPENDENT SSN [REDACTED] 9588

6C4 ELIGIBLE FOR TAX CREDIT IND Y

DEPENDENT :  
 NAME CONTROL NAME SPOT  
 6C2 DEPENDENT SSN [REDACTED] -5751  
 6C4 ELIGIBLE FOR TAX CREDIT IND Y

INDIVIDUAL RETURN :  
 7 WAGES AMOUNT \$213,481.00  
 8A TAXABLE INTEREST INCOME AMOUNT \$7,342.00  
 9A ORDINARY DIVIDENDS AMOUNT \$37,214.00  
 9B QUALIFIED DIVIDENDS AMOUNT \$28,401.00  
 13 TOT CAPITAL DISTRIBUTNS AMOUNT \$3,887,092.00

8696 30201212 AAIA ACCESS CODE:QA PAGE:004 OF 006

2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
 FORM: 1040 OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

17	SUPPLMNTL INCM OR LOSS AMOUNT	\$177.00
21	TOTAL OTHER INCOME AMOUNT	\$345,487.00
22	TOTAL INCOME AMOUNT	\$3,799,819.00
27	HALF SELF EMPLOYMNT TAX AMOUNT	\$134.00
36	TOT ADJUSTMENTS TO INCM AMOUNT	-\$134.00
37	ADJUSTED GROSS INCOME AMOUNT	\$3,799,685.00
38	COPY ADJUSTD GROSS INCM AMOUNT	\$3,799,685.00
40	TOTAL DEDUCTION AMOUNT	\$344,015.00
41	AGI LESS DEDUCTION AMOUNT	\$3,455,670.00
42	MAXIMUM EXEMPTION AMOUNT	\$22,800.00
43	GROSS EXEMPTION AMOUNT	\$22,800.00
43	TAXABLE INCOME AMOUNT	\$3,432,870.00
WK 6	CAPITAL GAIN TAX WRKSHT AMOUNT	\$28,401.00
44	TENTATIVE TAX AMOUNT	\$504,326.00
	COMPUTED RATE SCH TAX AMOUNT	\$1,170,644.00
	COMPUTED ALTMINTAX INCM AMOUNT	\$3,757,162.00
45	ALTERNATIVE MINIMUM TAX AMOUNT	\$48,643.00

8696 30201212 AAIA ACCESS CODE:QA PAGE:005 OF 006  
 2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
 FORM:1040 OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

	TOT TAX PRIOR TO CREDIT AMOUNT	\$552,969.00
48	FOREIGN TAX CREDIT AMOUNT	\$74.00
55	TOTAL CREDIT AMOUNT	\$74.00
56	TOTAL POST CREDIT TAX AMOUNT	\$552,895.00
57	SELF EMPLOYMENT TAX AMOUNT	\$267.00
	COMPUTED TOTAL TAX AMOUNT	\$553,162.00
	TOTAL TAX LIABILITY AMOUNT	\$553,162.00
	TOTAL TAX ASSESSMENT AMOUNT	\$553,162.00
63	TOTAL TAX AMOUNT	\$553,162.00
64	WITHHLD FEDERL INCM TAX AMOUNT	\$34,646.00
65	ESTIMATED TAX PAYMENT AMOUNT	\$100,000.00
73	CREDIT AMOUNT	\$22,897.00
	PRIORYEAR MINIMUM TAX AMOUNT	\$22,897.00
74	TOTAL PAYMENT AMOUNT	\$157,543.00
	T BAL DUE OR REFUND AMOUNT	\$395,619.00
	COMPUTED BAL DUE REFUND AMOUNT	\$395,619.00
	INTEREST PENALTY DATE	2015-01-07

8696 30201212 AAIA ACCESS CODE:QA PAGE:006 OF 006  
 2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 - TRDB-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
 FORM:1040 OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

INTRST RDCTN OVRPYMNT AMOUNT	\$395,619.00
------------------------------	--------------

-8696 30201212 AAIS ACCESS CODE:QA PAGE:001 OF 001  
 2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
 FORM:SCH-A OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

IND DEDUCTIONS ITEMIZATION :		
3	AGI TIMES 75PERCENT AMOUNT	\$284,976.00
5	STATE AND LOCAL TAXES AMOUNT	\$288,965.00
6	REAL ESTATE TAX AMOUNT	\$9,375.00
7	PERSONAL PROPERTY TAXES AMOUNT	\$412.00
9	TOTAL TAXES PAID AMOUNT	\$298,752.00
10	MRTG INTRST AND PTS RPT AMOUNT	\$15,135.00
14	INVSTMNT INTRST EXP DED AMOUNT	\$21,358.00
15	TOTAL INTEREST PAID AMOUNT	\$36,493.00
16	CASH CHRTBL CONTRIBUTNS AMOUNT	\$5,370.00
17	NONCASH CHRTBL CONTRIBS AMOUNT	\$3,400.00
18	TOT CHARITABLE CONTRIBS AMOUNT	\$8,770.00
24	GROSS LTD MISC DEDUCTNS AMOUNT	\$5,886.00
29	TOT ITEMIZED DEDUCTIONS AMOUNT	\$344,015.00

-8696 30201212 AAIC ACCESS CODE:QA PAGE:001 OF 003  
 2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
 FORM:SCH-D OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

SHORT TERM GAIN OR LOSS :		
I2D	SALES PRICE AMOUNT	\$7,470,692.00
I2E	COST OR OTHER BASIS AMOUNT	\$7,428,595.00
I2H	GAIN OR LOSS AMOUNT	\$1,586.00
SHORT TERM GAIN OR LOSS :		
I3D	SALES PRICE AMOUNT	\$165,835.00
I3E	COST OR OTHER BASIS AMOUNT	\$147,278.00
CAPITAL GAIN OR LOSS SUMMARY :		
I5H	NET SHORT TERM SCH1 AMOUNT	\$551.00
CAPITAL GAIN OR LOSS SUMMARY :		
I7H	NET SHORT TERM AMOUNT	\$62,791.00
LONG TERM GAIN OR LOSS :		
I10D	SALES PRICE AMOUNT	\$109,978.00



-8696 30201212 AAIC ACCESS CODE:QA PAGE:002 OF 003  
 2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDR-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL-DUE: INPUT-SOURCE:PAPER  
 FORM:SCH-D OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

II9E	COST OR OTHER BASIS AMOUNT	\$110,259.00
LONG TERM GAIN OR LOSS :		
III10D	SALES PRICE AMOUNT	\$607,303.00
III10E	COST OR OTHER BASIS AMOUNT	\$669,760.00
III10H	GAIN OR LOSS AMOUNT	\$1,769.00
CAPITAL GAIN OR LOSS SUMMARY :		
III12H	NET LONG TERM SCHK1 AMOUNT	\$593.00
III13H	CAPITAL GAIN DISTRIBTN AMOUNT	\$1,336.00
III15H	NET LONG TERM AMOUNT	\$3,824,301.00
INCLUDED AS INCOME AMOUNT		\$3,824,301.00
MULTI RATE A GAIN AMOUNT		\$3,833,574.00
MULTI RATE C GAIN AMOUNT		\$70,700.00
TAXABLE INCOME TAX AMOUNT		\$504,325.50
III119	UNRECAPTURED S1250 GAIN AMOUNT	\$19,128.00
NET TIMES 15PERCENT AMOUNT		\$504,325.50
GROSS PROFIT LOSS AMOUNT		\$3,887,092.00

-8696 30201212 AAIC ACCESS CODE:QA PAGE:003 OF 003  
 2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDR-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL-DUE: INPUT-SOURCE:PAPER  
 FORM:SCH-D OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

8696 30201212 RAID ACCESS CODE:QA PAGE:001 OF 002  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
NAME-CNTRL: DL-TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:SCH-E OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

RENTAL ROYALTY INCOME OR LOSS :  
I23B TOT ROYALTY PAYMENTS AMOUNT \$133.00  
I23E TOTAL EXPENSES AMOUNT \$57.00  
I24 TOTAL INCOME AMOUNT \$76.00  
I26 TOTAL INCOME OR LOSS AMOUNT \$76.00

PRTNRSHP AND CORP INCM OR LOSS:  
II29AG TOTAL PASSIVE INCOME AMOUNT \$1,184.00  
II29AJ TOTAL NONPASSIVE INCOME AMOUNT \$382,703.00  
II29BF TOTAL PASSIVE LOSS AMOUNT \$350,499.00  
II29BH TOTAL NONPASSIVE LOSS AMOUNT \$32,835.00  
II30 TOTAL INCOME AMOUNT \$383,887.00  
II31 TOTAL LOSS AMOUNT \$363,931.00  
II32 TOTAL INCOME OR LOSS AMOUNT \$44.00-

SUPPLMNTL INCM OR LOSS SUMMARY:  
IV39 TOT REMIC INCM OR LOSS AMOUNT \$145.00

8696 30201212 RAID ACCESS CODE:QA PAGE:002 OF 002  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
NAME-CNTRL: DL-TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:SCH-E OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

8696 30201212 AAIE ACCESS CODE:QA PAGE:001 OF 001  
 2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDBS-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND:- BAL-DUE: INPUT-SOURCE:PAPER  
 FORM:SCH-SE OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

INDIVIDUAL NAME :	
FILER SSN	569-79-8696
TAXPAYER CODE	P
SELF EMPLOYMENT TAX :	
TOTAL NET EARNINGS AMOUNT	\$9,213.00
NONFARM PROFIT OR LOSS AMOUNT	\$9,977.00
13     PROFIT OR LOSS AMOUNT	\$9,977.00
TOTAL WAGES COVERED AMOUNT	\$110,100.00
111    MEDICARE TAX AMOUNT	\$267.17
112    SELF EMPLOYMENT TAX AMOUNT	\$267.17
MEDICARE INCOME AMOUNT	\$9,213.00

8696 30201212 AAIF ACCESS CODE:QA PAGE:001 OF 001  
 2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDBS-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND:- BAL-DUE: INPUT-SOURCE:PAPER  
 FORM:3800 OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

GENERAL BUSINESS CREDIT :	
II     GENERAL BUSINESS CREDIT AMOUNT	\$6,809.00
I2     PASSIVE ACTIVITY CREDIT AMOUNT	\$13.00
IIII    COMBINED PARTIII INDICATOR	Y
BUSINESS CREDIT :	
IIIICC RESEARCH ACTIVITY CR AMOUNT	\$6,822.00

8696 30201212 AAIG ACCESS CODE:QA PAGE:001 OF 001  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:4797 OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

SALES OF BUSINESS PROPERTY :	
I7G	GAIN OR LOSS AMOUNT \$3,883,341.00
I9G	NET GAIN OR LOSS AMOUNT \$3,883,341.00

8696 30201212 AAIH ACCESS CODE:QA PAGE:001 OF 001  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:4952 OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

INVESTMENT EXPENSE DEDUCTION :	
II4E	SMALLER GAIN AMOUNT \$3,824,301.00

5 8696 30201212 AAI ACCESS CODE:QA PAGE:001 OF 001  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
NAME-CNTRL: DL TKPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:6251 OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

INDIVIDUAL ALTERNATIVE MIN TAX:  
I18 POST1986 DEPRECIATION AMOUNT \$1,713.00  
I19 PASSIVE ACTIVITIES AMOUNT \$1,027.00  
II29 EXEMPTION AMOUNT \$901,790.50  
II31 TAX ON ALT MIN TXB INCM AMOUNT \$552,969.30  
II32 FOREIGN TAX CREDIT AMOUNT \$74.00  
II33 TENTATIVE ALT MIN TAX AMOUNT \$552,895.30  
II35 ALTERNATIVE MINIMUM TAX AMOUNT \$48,643.00

5 8696 30201212 AAIJ ACCESS CODE:QA PAGE:001 OF 001  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
NAME-CNTRL: DL TKPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:WORK-HIST OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

IRS EMPLOYEE INFORMATION :  
EMPLOYEE IDENTIFICATION NUMBER C7Q  
EMPLOYEE TYPE TRANSCRIPTION

██████████-8696 30201212 AAIK ACCESS CODE:QA PAGE:001 OF 002  
 2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER

FORM:CODES OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 STATUS-CODE STATUS-DATE STATUS

21 2015-01-26 MF RESEQUENCED  
 19 2015-01-26 ERS CORRECTED

STAT	STATUS-DATE	FORM	OCCURRENCE	CODE	TYPE	CODE
19	2015-01-26	SCH-A	01	STATE	INCOME OR SALES TAX	1
19	2015-01-26	SCH-E	01	REQUIRED TO FILE FORM	1099	2
19	2015-01-26	SCH-E	01	UNALLOWED PRIOR LOSS		1
19	2015-01-26	1040	01	CHILD TAX CREDIT	ELIGIBLE NUM	04
19	2015-01-26	1040	01	DEPENDENT CHILD 1	TAX CR IND	1
19	2015-01-26	1040	01	DEPENDENT CHILD 2	TAX CR IND	1
19	2015-01-26	1040	01	DEPENDENT CHILD 3	TAX CR IND	1
19	2015-01-26	1040	01	DEPENDENT CHILD 4	TAX CR IND	1
19	2015-01-26	1040	01	ENTITY		2
19	2015-01-26	1040	01	EXEMPTION-1		1
19	2015-01-26	1040	01	EXEMPTION-2		1
19	2015-01-26	1040	01	EXEMPTION-3		4
19	2015-01-26	1040	01	FILING STATUS		2

██████████-8696 30201212 AAIK ACCESS CODE:QA PAGE:002 OF 002  
 2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER

FORM:CODES OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT

STAT	STATUS-DATE	FORM	OCCURRENCE	CODE	TYPE	CODE
19	2015-01-26	1040	01	FISCAL MONTH		12
19	2015-01-26	1040	01	INPUT SYSTEM SOURCE		1
21	2015-01-26	1040	01	RESEQUENCE CODE		74
19	2015-01-26	1040	01	RETURNS PROCESSING		H
19	2015-01-26	1040	01	RETURNS PROCESSING		5
19	2015-01-26	1040	01	TAX COMPUTATION METHOD		1

8696 30201212 MAIL ACCESS CODE:QA PAGE:001 OF 002  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:STAT-HIST OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
STATUS-CODE STATUS-DATE STATUS

36 2015-09-24 ADDITIONAL TAX ASSESSMENT  
33 2015-01-29 MF POSTED  
21 2015-01-26 MF RESEQUENCED  
20 2015-01-26 GMF PERFECTED  
19 2015-01-25 ERS CORRECTED  
14 2015-01-29 IN ERS CORRECTION

STATUS CODE	TRANS CODE	CYCLE POSTED	CP23 DATE	RETURN DUE DATE	ASED DATE	RSED DATE	CSED DATE
36	290	201538	2015-02-16	2013-04-15	2018-01-07	2016-04-15	2025-02-16
33	150	201504	2015-02-16	2013-04-15	2018-01-07	2016-04-15	2025-02-16

STAT CODE	TAX TIN	FILING MFT	PER	STAT CONTROL	TRANS DLN	REF CODE	BAL TRANS DLN	IND DUE	ELF DCN
21	569798696	30	201212	89211010076175	150	89211010076175			
20	569798696	30	201212	2	150	89211010076175	Y		
19	569798696	30	201212	2	150	89211010076175	Y		

589-8696 30201212 AAIL ACCESS CODE:QA PAGE:002 OF 002  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:STAT-HIST OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
STAT TAX FILING TRANS REF BAL  
CODE TIN MFT PER STAT CONTROL DLN CODE TRANS DLN IND DUE ELF DCN  
14 569798696 30 201212 150 89211010076175

5-8696 30201212 AAIM ACCESS CODE:QA PAGE:001 OF 003  
 2016-05-23 12:15:00 FORM: FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
 NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
 FORM:SSN-VALDN OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

SSN VALIDATION :  
 SOURCE TIN TYPE PRIMARY  
 NAP TIN VAL CK REQ COUNT 6  
 NAP TIN VAL CK RSP COUNT 6  
 NAP EIF RESPONSE CODE S  
 AGE COUNT 45  
 BIRTH DATE 1967-01-20  
 PREVIOUS SPOUSE SSN 555-02-7402  
 PREVIOUS FILING STATUS CODE 2

SSN VALIDATION :  
 SOURCE TIN TYPE SPOUSE  
 NAME CONTROL UNDERPRINT NAME MIYA  
 NAP EIF RESPONSE CODE S  
 AGE COUNT 45  
 BIRTH DATE 1967-06-28

5-8696 30201212 AAIM ACCESS CODE:QA PAGE:002 OF 003  
 2016-05-23 12:15:00 FORM: FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
 NAME-CNTRL: -- DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
 FORM:SSN-VALDN OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
 LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

SSN VALIDATION :  
 SOURCE TIN TYPE DEPENDENT  
 NAME CONTROL UNDERPRINT NAME SPOT  
 NAP EIF RESPONSE CODE S  
 AGE COUNT 14  
 BIRTH DATE 1998-01-06

SSN VALIDATION :  
 SOURCE TIN TYPE DEPENDENT  
 NAME CONTROL UNDERPRINT NAME SPOT  
 NAP EIF RESPONSE CODE S  
 AGE COUNT 12  
 BIRTH DATE 2000-07-25

SSN VALIDATION :  
 SOURCE TIN TYPE DEPENDENT  
 NAME CONTROL UNDERPRINT NAME SPOT  
 NAP EIF RESPONSE CODE S

-8696 30201212 AAIM ACCESS CODE:QA PAGE:003 OF 003  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2015-01-26  
NAME-CNTRL: DL TXPYR:P FILING STATUS:2 REFUND: BAL DUE: INPUT-SOURCE:PAPER  
FORM:SSN-VALDN OCCURRENCE: 1 CURRENT-STATUS:ADDITIONAL TAX ASSESSMENT  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

AGE COUNT		10
BIRTH DATE	2002-12-19	
SN VALIDATION	:	
SOURCE TIN TYPE	DEPENDENT	
NAME CONTROL UNDERPRINT NAME	SPOT	
NAP EIF RESPONSE CODE	S	
AGE COUNT		5
BIRTH DATE	2007-02-07	

8696 30201212 ABIM ACCESS CODE:AB PAGE 001 OF 001  
2016-05-23 12:16:35 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2013-04-12  
NAME-CNTRL:SPOT TXPYR:P FILING STATUS: REFUND: BAL DUE: INPUT-SOURCE:MEFILE  
CURRENT-STATUS:MEF REJECTED  
ACC-CODE FORM-TYPE FORM-COUNT ACC-CODE FORM-TYPE FORM-COUNT  
IA REJECTED 1  
IB RULES 1  
IC STAT-HIST 1  
ID SSN-VALDN 1

05/23/2016

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██████████-8696 30201212 ABIA ACCESS CODE:QA PAGE:001 OF 001  
2016-05-23 11:52:41 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2013-04-12  
NAME-CNTRL:SPOT TXPYR:P FILING STATUS: REFUND: BAL DUE: INPUT-SOURCE:MEFILE  
FORM:REJECTED OCCURRENCE: 1 CURRENT-STATUS:MEF REJECTED  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

FILER :  
FILER TIN 569798696  
T NAME CONTROL SPOT  
TAXPAYER CODE P

FILER :  
FILER TIN 555027402  
T NAME CONTROL MIYA  
TAXPAYER CODE S

██████████-8696 30201212 ABIS ACCESS CODE:QA PAGE:001 OF 001  
2016-05-23 11:52:41 FORM-FAMILY:1040 TAXYR:2012 TRDS-DT-RCVD:2013-04-12  
NAME-CNTRL:SPOT TXPYR:P FILING STATUS: REFUND: BAL DUE: INPUT-SOURCE:MEFILE  
FORM:RULES OCCURRENCE: 1 CURRENT-STATUS:MEF REJECTED  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

BUSINESS RULE ERROR :  
SEQUENCE NUMBER 1  
ERROR DESCRIPTION F1040-512

BUSINESS RULE ERROR :  
SEQUENCE NUMBER 2  
ERROR DESCRIPTION R0000-504-01



[REDACTED] 8696 30201212 ABIC ACCESS CODE:QA PAGE:001 OF 001  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2013-04-12  
NAME-CNTRL:SPOT TXPYR:P FILING STATUS: REFUND: BAL DUE: INPUT-SOURCE:MEFILE  
FORM:STAT-HIST OCCURRENCE: 1 CURRENT-STATUS:MEF REJECTED  
STATUS-CODE STATUS-DATE STATUS SUBMISSION ID  
12 2013-04-12 MEF REJECTED 44046820131023726491  
  
STAT TAX FILING TRANS REF BAL  
CODE TIN MFT PER STAT CONTROL DLN CODE TRANS DLN IND DUE  
12 569798696 30 201212

[REDACTED] 8696 30201212 ABID ACCESS CODE:QA PAGE:001 OF 004  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2013-04-12  
NAME-CNTRL:SPOT TXPYR:P FILING STATUS: REFUND: BAL DUE: INPUT-SOURCE:MEFILE  
FORM:SSN-VALDN OCCURRENCE: 1 CURRENT-STATUS:MEF REJECTED  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE  
  
SSN VALIDATION :  
FK FORM TYPE 1040  
SOURCE TIN TYPE PRIMARY  
NAME CONTROL UNDERPRINT NAME SPOT  
NAP CITIZEN CODE A  
EITC RECERTIFICATION CODE 0  
NAP ACCESS CODE S  
NAP EIF RESPONSE CODE S  
ORIG DUP CHECK UNDRPRT SSN 569-79-8636  
BIRTH DATE 1967-01-20  
SELFSELECTPIN ELIGIBILITY CODE Y  
PRIOR YR AGI AMOUNT \$551,258.00  
PRIOR YR RETURN SIGNATURE PIN 00000  
PRIORYRINSTALLMNTAGREEMENT PIN 0000  
INCOME AMOUNT \$3,799,819.00  
DUP CHECK PRIORITY ACCESS CODE 0

██████████ 8696 30201212 ABID ACCESS CODE:QA PAGE:002 OF 004  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2013-04-12  
NAME-CNTRL:SPOT TXPYR:P FILING STATUS: REFUND: BAL DUE: INPUT-SOURCE:MEFILE  
FORM:SSN-VALDN OCCURRENCE: 1 CURRENT-STATUS:MEF REJECTED  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

SSN VALIDATION :  
FK FORM TYPE 1040  
SOURCE TIN TYPE SPOUSE  
NAME CONTROL UNDERPRINT NAME MIYA  
NAP CITIZEN CODE A  
NAP ACCESS CODE S  
NAP EIF RESPONSE CODE S  
ORIG DUP CHECK UNDRPRT SSN 569-79-8696  
BIRTH DATE 1967-06-28  
SELFSELECTPIN ELIGIBILITY CODE Y  
PRIOR YR AGI AMOUNT \$551,258.00  
PRIOR YR RETURN SIGNATURE PIN 0  
PRIOR YR EXTENSION TO FILE PIN 000  
PRIORYRINSTALLMNTAGREEMENT PIN 00000  
DUP CHECK PRIORITY ACCESS CODE 0

SSN VALIDATION :  
FK FORM TYPE 1040

██████████ 8696 30201212 ABID ACCESS CODE:QA PAGE:003 OF 004  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2013-04-12  
NAME-CNTRL:SPOT TXPYR:P FILING STATUS: REFUND: BAL DUE: INPUT-SOURCE:MEFILE  
FORM:SSN-VALDN OCCURRENCE: 1 CURRENT-STATUS:MEF REJECTED  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

SOURCE TIN TYPE DEPENDENT  
NAME CONTROL UNDERPRINT NAME SPOT  
NAP ACCESS CODE S  
NAP EIF RESPONSE CODE S  
ORIG DUP CHECK UNDRPRT SSN 569-79-8696  
DUP CHECK PRIORITY ACCESS CODE 0

SSN VALIDATION :  
FK FORM TYPE 1040  
SOURCE TIN TYPE DEPENDENT  
NAME CONTROL UNDERPRINT NAME SPOT  
NAP ACCESS CODE S  
NAP EIF RESPONSE CODE S  
ORIG DUP CHECK UNDRPRT SSN 569-79-8696  
DUP CHECK PRIORITY ACCESS CODE 0

SSN VALIDATION :  
FK FORM TYPE 1040

8696 30201212 ABID ACCESS CODE:QA PAGE:004 OF 004  
2016-05-23 12:15:00 FORM-FAMILY:1040 TAXYR:2012 TRDB-DT-RCVD:2013-04-12  
NAME-CTRL:SPOT TXPYR:P FILING STATUS: REFUND: BAL DUE: INPUT-SOURCE:MEFILE  
FORM:SSN-VALDN OCCURRENCE: 1 CURRENT-STATUS:MEE REJECTED  
LINE # ENTITY/ATTRIBUTE VALUE CHANGED VALUE

SOURCE TIN TYPE	DEPENDENT
NAME CONTROL UNDERPRINT NAME	SPOT
NAP ACCESS CODE	S
NAP EIF RESPONSE CODE	S
ORIG DUP CHECK UNDRPRT SSN	569-79-8696
DUP CHECK PRIORITY ACCESS CODE	0
SSN VALIDATION :	
FK FORM TYPE	1040
SOURCE TIN TYPE	DEPENDENT
NAME CONTROL UNDERPRINT NAME	HOLT
NAP ACCESS CODE	S
NAP EIF RESPONSE CODE	L
ORIG DUP CHECK UNDRPRT SSN	521-61-5751
DUP CHECK PRIORITY ACCESS CODE	5

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Topic List Search Topics Tax Data Tax Summary

Personal Business State Taxes Review

File

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78:

TurboTax Home & Business

Forms Details Estimate

File a Return Save for Your Records Check E-File Status

Your E-file Status

When your return is rejected by the government, there's no need to panic. It just means they found an error. We'll help you fix it, and get your return filed again. Explain This

✓ Your 2012 Federal Return

Rejected: Return reviewed

After fixing your errors, we'll help you file your return again.

Review again

Federal Tax Due  
\$395,619  
CA Tax Due  
\$238,492

Flags +  
Don't know the answer?  
Flag this topic and come back later.

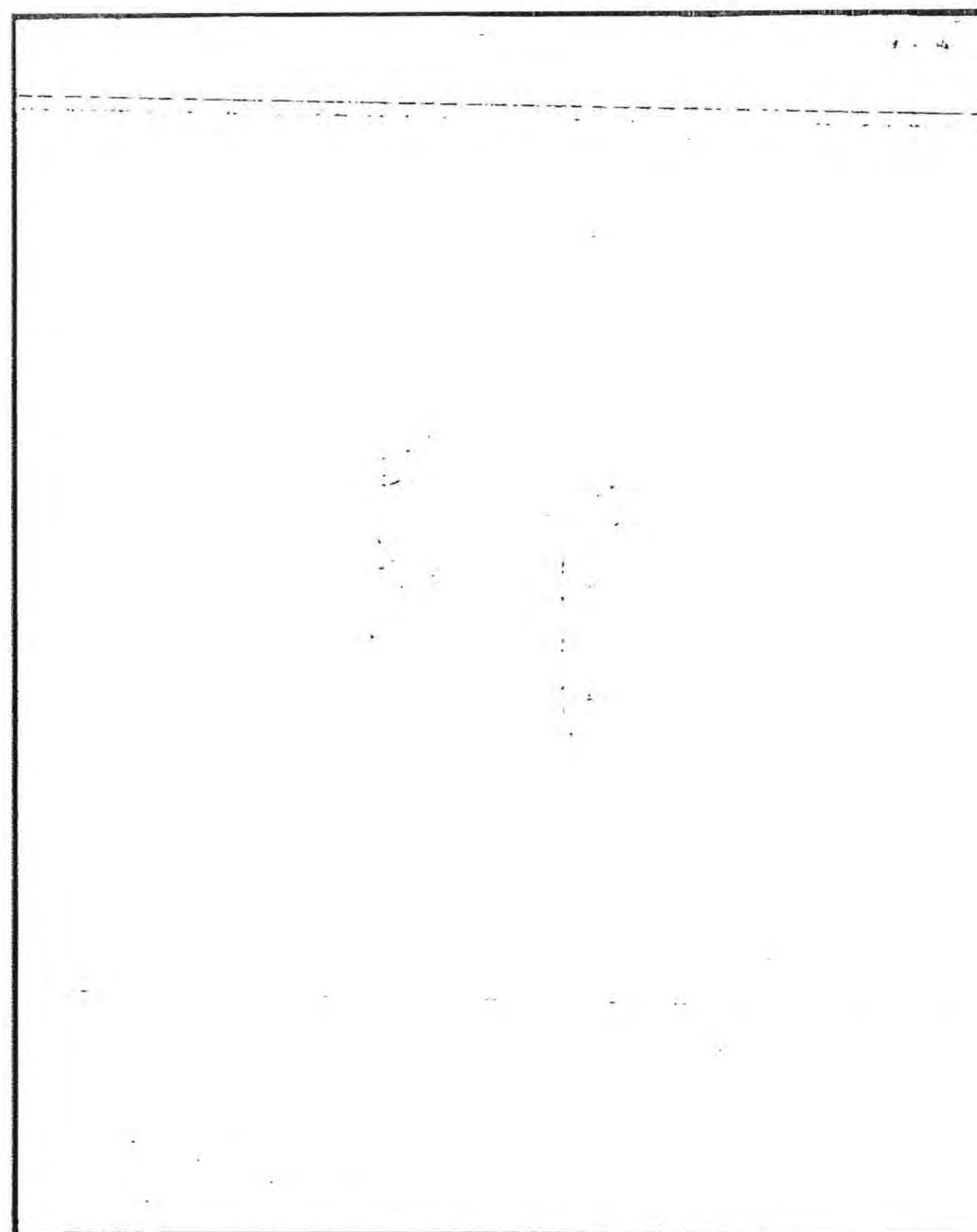
E X

Errors Fixed & Ready to File

1 Trees G.....pdf

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1 2 3 4 5 6 7 8 9 0 P X C S G Y Z W



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Q https://htlc.intuit.com/questions/1699397-e-file-rejection-error-R0000-504-02-dependent-s-social-security-number-or-name-doesn... f? ≡

TurboTax AnswerXchange

All Search the community...

Q

Q This post has been closed and is not open for comments or answers.

↳ Turbo Tax AnswerXchange Home Page

Asked by  **TurboTaxFAQ**, Answering FAQ's 2 months ago

**E-file rejection error R0000-504-02: Dependent's Social Security number or name doesn't match**

turbotax faq, turbotax classic, dependents, error, social security number

Have a new question?

Type your question here...

Tip: Ask and we'll first search for similar questions. If there are none, you'll be able to review and add additional details before posting to the community.

+ Me too Follow

Recommended answer

 **TurboTaxFAQ**, Answering FAQ's TurboTax Employee 2 months ago

How to fix an e-filed return that was rejected with error R0000-504-02: The dependent's Social Security number and last name on this return do not match what the IRS has in its records.

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J:\Z\CP\Forms\TurboTax\TurboTax\Home & Business\TaxReturn.tax2012

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Topic List

Business Personal State Taxes Review

File

⑧ Help Center Community

**Verify Dependent's Social Security Number**

The Social Security number or the last name does not match what the IRS has in their records.

The information entered on the return must be exactly how it appears on the child's Social Security card, including middle initial and suffix (if applicable).

Please review the information below. The information entered on the return must be exactly how it appears on the child's Social Security card, including middle initial and suffix (if applicable).

**Is there a mistake with the Social Security number or last name for any of your children?**

Social Security number of Daniel:	[REDACTED]-7491
Last name of Daniel:	Spottiswood
Social Security number of Kyle:	[REDACTED]-0153
Last name of Kyle:	Spottiswood
Social Security number of Kira:	[REDACTED]9588
Last name of Kira:	Spottiswood
Social Security number of Jack:	[REDACTED]5751
Last name of Jack:	Spottiswood

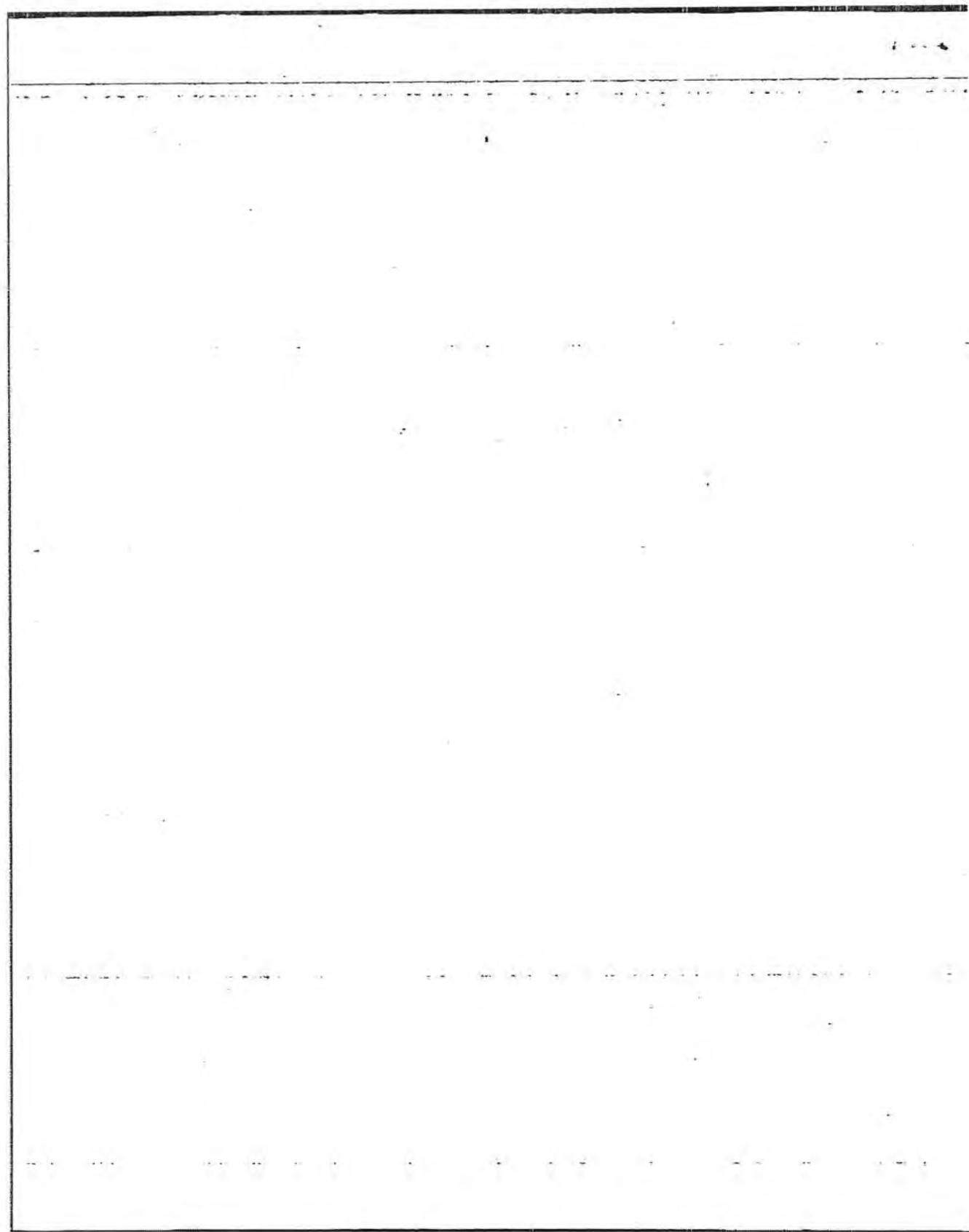
Don't know the answer?  
Flag this topic and come back later.

Flags +

No Form

Y008 GR....pdf

Yes, there is a mistake.  
Will correct the mistake on the next page.



7/18/2016

Tax Year Summary | MyFTB Account | California Franchise Tax Board

*Ex F*  
Contact Us | FTB Home | Log Out

Welcome Douglas A. Greenberg, Tax Preparer

Home Account Communication Services

## @ MyFTB | ACCOUNT

## Tax Year Summary

[Back to previous](#)

John Spottswood

XXX-XX-8596

Change Client

**CalFile.**  
File your state tax return[Start My Return](#)[Contact Us](#)

## Account Summary

Tax Year:	2012	Tax Return Filed:	Yes
Tax Year Balance:	\$0.00	Filing Status:	Married/RDP
Total Debits:	\$505,069.89	Tax Return Filed Date:	04/15/2013
Total Credits:	\$505,069.89	Notices:	No

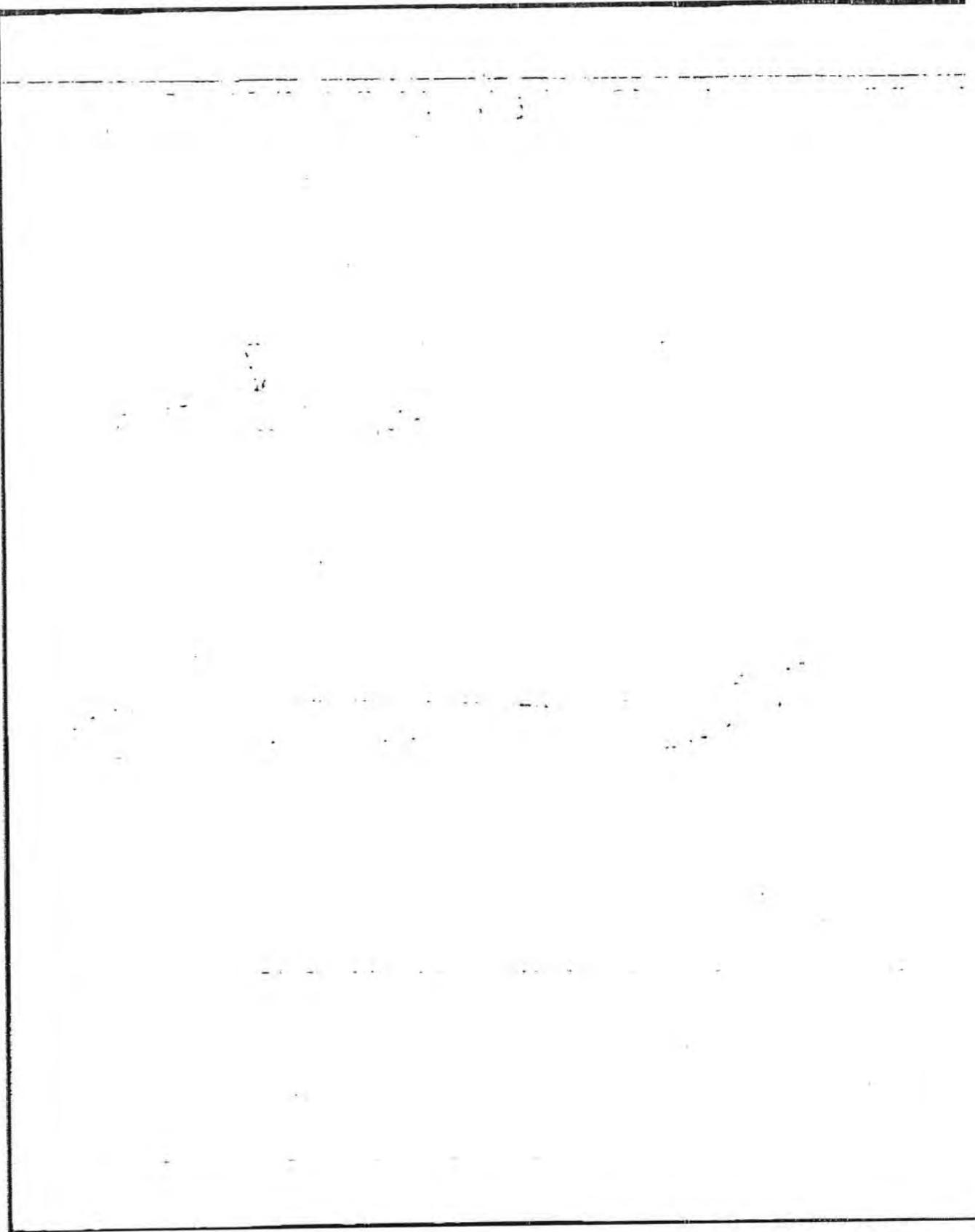
## Tax Year Items

[Show Filter](#)

Date	Description	Debit	Credit
04/15/2013	Total Tax Liability	\$503,150.00	\$0.00
04/15/2013	CA Income Tax Withheld	\$0.00	\$15,332.00
10/01/2012	Estimate Payment	\$0.00	\$250,000.00
04/15/2013	Return Payment	\$0.00	\$238,492.00
05/23/2013	Bill Payment	\$0.00	\$33.72
05/15/2014	Bill Payment	\$0.00	\$604.37
07/03/2014	Bill Payment	\$0.00	\$606.46
05/23/2013	Underpayment of Estimated Tax Penalty	\$707.72	\$0.00
	Total Interest	\$0.00	\$1.34
07/17/2014	Refund Authorized: 07/17/2014*	\$605.61	\$0.00
06/11/2014	Other Adjustment	\$605.71	\$0.00
07/17/2014	Other Adjustment	\$0.85	\$0.00

\*Allow 10 business days for direct deposit or 25 business days by check.

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**Form 1040**

Department of the Treasury—Internal Revenue Service

**Ex G  
2012**

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2012, or other tax year beginning _____		2012, ending .20	See separate instructions.
Your first name and initial.	Last name	Your social security number	
John	Spottiswood	██████████-8696	
# if joint return, spouse's first name and initial	Last name	Spouse's social security number	
Nancy	Miyasaki	██████████-7402	
Home address (number and street). If you have a P.O. box, see instructions. 201 Rockridge Road		Apt. no.	▲ Make sure the SSN(s) above and on line 6c are correct.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). San Carlos CA 94070		Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.	
Foreign country name		Foreign province/state/county	Foreign postal code
		<input type="checkbox"/> Yes <input type="checkbox"/> Spouse	

**Filing Status**    1  Single    4  Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ►

Check only one box.    2  Married filing jointly (even if only one had income)    3  Married filing separately. Enter spouse's SSN above and full name here. ►

5  Qualifying widow(er) with dependent child

<b>Exemptions</b>	6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a.	Boxes checked on 6a and 6b
	b <input checked="" type="checkbox"/> Spouse	No. of children on 6c who:
c Dependents:	(2) Dependent's social security number	- lived with you
(1) First name	(3) Dependent's relationship to you	- did not live with you due to divorce or separation (see instructions)
Daniel Spottiswood	██████████-7491 Son	██████████
Kyle Spottiswood	██████████-0153 Son	██████████
Kira Spottiswood	██████████-9588 Daughter	██████████
Jack Spottiswood	██████████-5751 Son	██████████

If more than four dependents, see instructions and check here ►

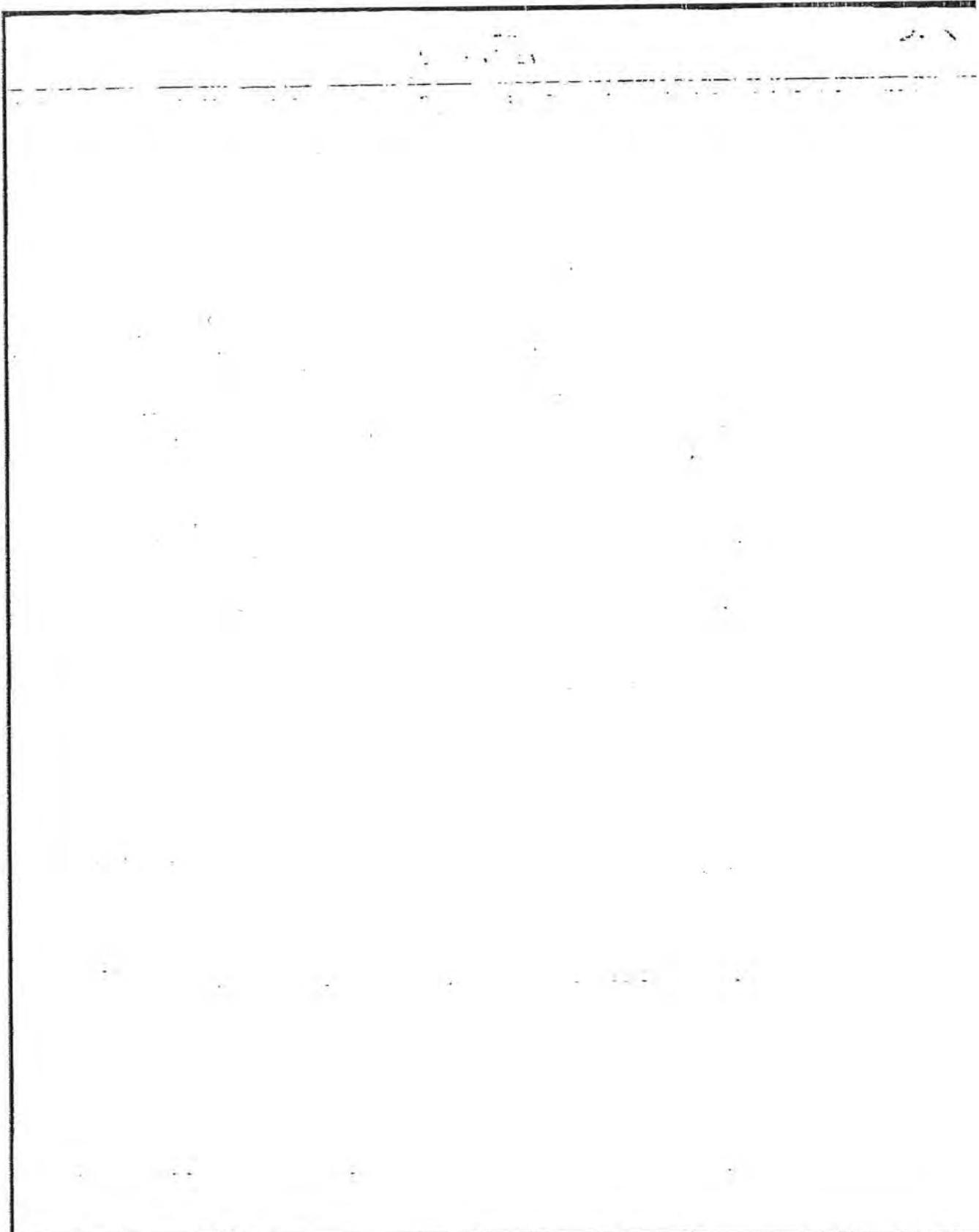
d Total number of exemptions claimed

<b>Income</b>	7 Wages, salaries, tips, etc. Attach Form(s) W-2	7 213,481.
	8a Taxable interest. Attach Schedule B if required	8a 7,342.
8b Tax-exempt interest. Do not include on line 8a	8b	
9a Ordinary dividends. Attach Schedule B if required	9a 37,214.	
9b Qualified dividends	9b 28,401.	
10 Taxable refunds, credits, or offsets of state and local income taxes	10	
11 Alimony received	11	
12 Business income or (loss). Attach Schedule C or C-EZ	12	
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ► <input type="checkbox"/>	13 3,887,092.	
14 Other gains or (losses). Attach Form 4787	14	
15a IRA distributions	15a b Taxable amount	15b
16a Pensions and annuities	16a b Taxable amount	16b
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17 177.	
18 Farm income or (loss). Attach Schedule F	18	
19 Unemployment compensation	19	
20a Social security benefits	20a b Taxable amount	20b
21 Other income. List type and amount See Line 21 Statement	21 -345,487.	
22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ►	22 3,799,819.	

<b>Adjusted Gross Income</b>	23 Educator expenses	23
	24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24
25 Health savings account deduction. Attach Form 8889	25	
26 Moving expenses. Attach Form 3903	26	
27 Deductible part of self-employment tax. Attach Schedule SE	27 134.	
28 Self-employed SEP, SIMPLE, and qualified plans	28	
29 Self-employed health insurance deduction	29	
30 Penalty on early withdrawal of savings	30	
31a Alimony paid b Recipient's SSN ►	31a	
32 IRA deduction	32	
33 Student loan interest deduction	33	
34 Tuition and fees. Attach Form 8917	34	
35 Domestic production activities deduction. Attach Form 8903	35	
36 Add lines 23 through 35	36 134.	
37 Subtract line 36 from line 22. This is your adjusted gross income ►	37 3,799,685.	

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. BAA REV 02/07/13 TTMic

Form 1040 (2012)







Ex H



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### Account Transcript

Request Date:	04-06-2016
Response Date:	04-06-2016
Tracking Number:	100280011375

FORM NUMBER: 1040  
TAX PERIOD: Dec. 31, 2013

TAXPAYER IDENTIFICATION NUMBER: [REDACTED] 8696  
SPOUSE TAXPAYER IDENTIFICATION NUMBER: [REDACTED] 7402

JOHN D SPOTTISWOOD & N MIYASAKI  
201 ROCKRIDGE RD  
SAN CARLOS, CA 94070-3705-014

<<<POWER OF ATTORNEY/TAX INFORMATION AUTHORIZATION (POA/TIA) ON FILE>>>

--- ANY MINUS SIGN SHOWN BELOW SIGNIFIES A CREDIT AMOUNT ---

ACCOUNT BALANCE:	0.00
ACCRUED INTEREST:	0.00 AS OF: Dec. 28, 2015
ACCRUED PENALTY:	0.00 AS OF: Dec. 28, 2015

ACCOUNT BALANCE PLUS ACCRUALS  
(this is not a "payoff" amount): 0.00

\*\* INFORMATION FROM THE RETURN OR AS ADJUSTED \*\*

EXEMPTIONS:	06
FILING STATUS:	Married Filing Joint
ADJUSTED GROSS INCOME:	857,227.00
TAXABLE INCOME:	560,422.00
TAX PER RETURN:	207,093.00
SE TAXABLE INCOME TAXPAYER:	0.00
SE TAXABLE INCOME SPOUSE:	0.00



TOTAL SELF EMPLOYMENT TAX:

770.00

RETURN DUE DATE OR RETURN RECEIVED DATE (WHICHEVER IS LATER) Jan. 07, 2015  
 PROCESSING DATE Feb. 16, 2015

## TRANSACTIONS

CODE	EXPLANATION OF TRANSACTION	CYCLE	DATE	AMOUNT
150	Tax return filed	20150405	02-16-2015	\$207,093.00
n/a	89211-010-07618-5			
806	W-2 or 1099 withholding		04-15-2014	-\$38,639.00
460	Extension of time to file tax return ext. Date 10-15-2014		04-14-2014	\$0.00
670	Payment		04-14-2014	\$170,241.00
610	Payment with return		10-08-2014	-\$1,161.00
610	Payment with return		01-07-2015	\$171,402.00
673	Payment		01-14-2015	\$171,402.00
170	Penalty for not pre-paying tax	20150405	02-16-2015	\$2,948.00
671	Dishonored payment		01-14-2015	\$171,402.00
280	Penalty for dishonored payment	20150605	03-02-2015	\$3,428.04
290	Additional tax assessed	20153805	10-12-2015	\$0.00
n/a	09254-661-07007-5			
826	Credit transferred out to 1040 201212		01-07-2015	\$130,654.13
971	Notice issued CP 0049		10-12-2015	\$0.00
570	Additional account action pending		10-12-2015	\$0.00
290	Disallowed claim	20153905	10-19-2015	\$0.00
n/a	09254-664-98023-5			
571	Resolved additional account action		10-19-2015	\$0.00
971	Notice issued CP 0055		10-19-2015	\$0.00
846	Refund issued		10-19-2015	\$38,147.84
776	Interest credited to your account		10-19-2015	-\$828.01

421	Closed examination of tax return	11-20-	\$0.00
		2015	
960	Appointed representative	12-08-	\$0.00
		2015	

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## Account Transcript

Request Date: 04-06-2016  
Response Date: 04-06-2016  
Tracking Number: 100280011375

FORM NUMBER: 1040

TAX PERIOD: Dec. 31, 2011

TAXPAYER IDENTIFICATION NUMBER: [REDACTED]-8696

SPOUSE TAXPAYER IDENTIFICATION NUMBER: [REDACTED] 7402

JOHN D SPOTTISWOOD & N MIYASAKI  
201 ROCKRIDGE RD  
SAN CARLOS, CA 94070-3705-014

--- ANY MINUS SIGN SHOWN BELOW SIGNIFIES A CREDIT AMOUNT ---

ACCOUNT BALANCE: 0.00

ACCRUED INTEREST: 0.00 AS OF: Nov. 12, 2012

ACCRUED PENALTY: 0.00 AS OF: Nov. 12, 2012

ACCOUNT BALANCE, PLUS ACCRUALS ---(this is not a payoff amount): 0.00

\*\* INFORMATION FROM THE RETURN OR AS ADJUSTED \*\*

EXEMPTIONS: 06

FILING STATUS: Married Filing Jointly

ADJUSTED GROSS INCOME: 551,258.00

TAXABLE INCOME: 377,032.00

TAX PER RETURN: 118,063.00

SE TAXABLE INCOME TAXPAYER: 0.00

SE TAXABLE INCOME SPOUSE: 0.00



TOTAL SELF EMPLOYMENT TAX: 2,613.00

RETURN DUE DATE OR RETURN RECEIVED DATE (WHICHEVER IS LATER) Oct. 16, 2012  
PROCESSING DATE Nov. 12, 2012

TRANSACTIONS

CODE	EXPLANATION OF TRANSACTION	CYCLE	DATE	AMOUNT
150	Tax return filed	20124405	11-12-2012	\$118,063.00
n/a	80221-291-00862-2			
806	W-2 or 1099 withholding		04-15-2012	-\$30,042.00
460	Extension of time to file tax return ext. Date 10-15-2012		04-15-2012	\$0.00
670	Payment		04-15-2012	-\$38,285.00
610	Payment with return		10-15-2012	-\$53,657.00
170	Penalty for not pre-paying tax	20124405	11-12-2012	\$1,677.00
196	Interest charged for late payment	20124405	11-12-2012	\$751.92
276	Penalty for late payment of tax	20124405	11-12-2012	\$1,492.08
196	Interest charged for late payment	20124405	11-12-2012	\$3.86
606	Write-off of balance due		11-12-2012	-\$3.86

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# Internal Revenue Service United States Department of the Treasury

This Product Contains Sensitive Taxpayer Data

## Account Transcript

Request Date: 04-06-2016  
Response Date: 04-06-2016  
Tracking Number: 100280011375

FORM NUMBER: 1040  
TAX PERIOD: Dec. 31, 2012

TAXPAYER IDENTIFICATION NUMBER: 3698696  
SPOUSE TAXPAYER IDENTIFICATION NUMBER: 7402

JOHN D SPOTTISWOOD & N MIYASAKI  
201 ROCKRIDGE RD  
SAN CARLOS, CA 94070-3705-014

<<<POWER OF ATTORNEY/TAX INFORMATION AUTHORIZATION (POA/TIA) ON FILE>>>

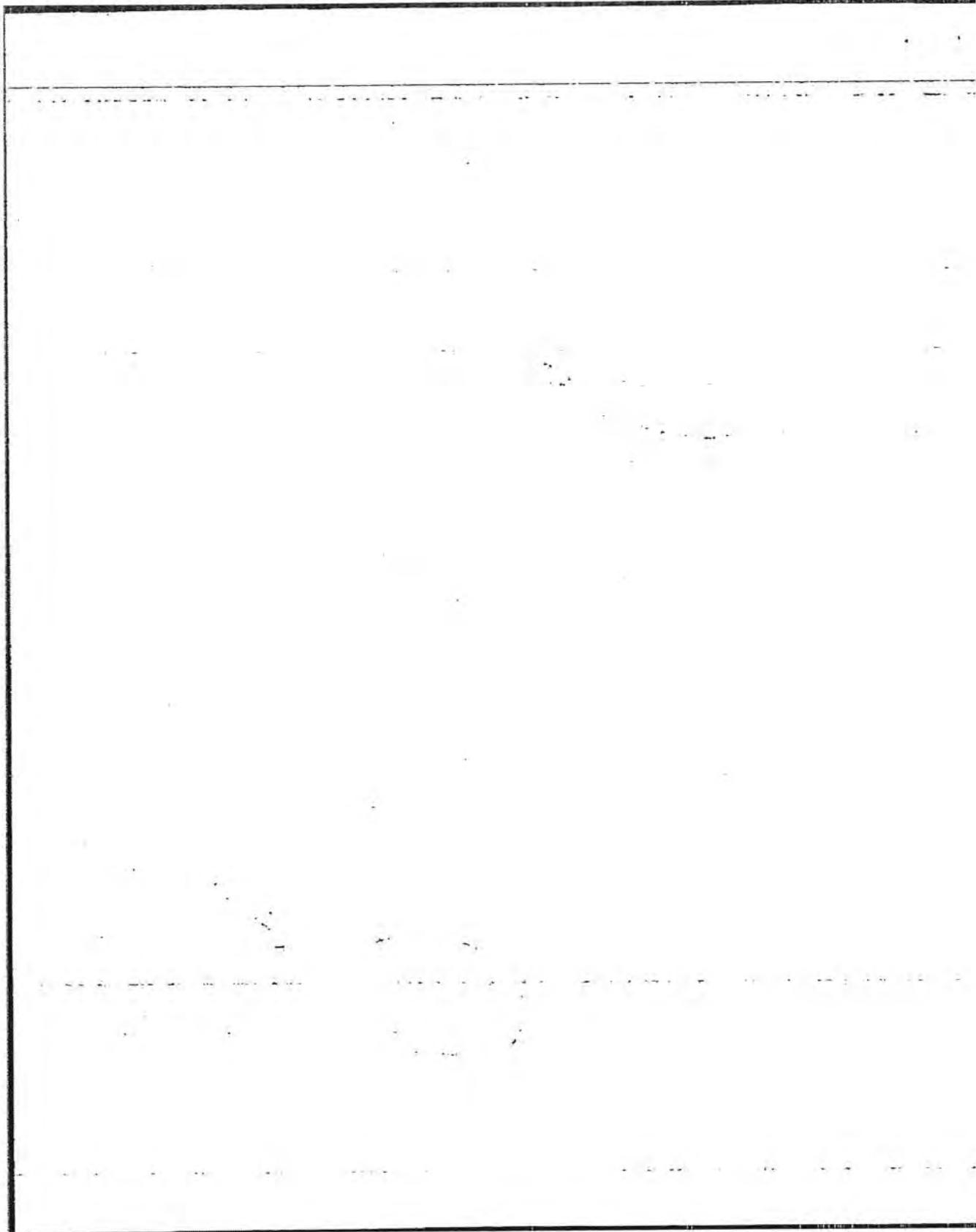
--- ANY MINUS SIGN SHOWN BELOW SIGNIFIES A CREDIT AMOUNT ---

ACCOUNT BALANCE: 0.00  
ACCRUED INTEREST: 0.00 AS OF: Dec. 28, 2015  
ACCRUED PENALTY: 0.00 AS OF: Dec. 28, 2015

ACCOUNT BALANCE PLUS ACCRUALS  
(this is not a payoff amount): -0.00

\*\* INFORMATION FROM THE RETURN OR AS ADJUSTED \*\*

EXEMPTIONS: 06  
FILING STATUS: Married Filing Joint  
ADJUSTED GROSS INCOME: 3,799,685.00  
TAXABLE INCOME: 3,432,870.00  
TAX PER RETURN: 553,162.00  
SE TAXABLE INCOME TAXPAYER: 0.00  
SE TAXABLE INCOME SPOUSE: 0.00



TOTAL SELF EMPLOYMENT TAX:

267.00

RETURN DUE DATE OR RETURN RECEIVED DATE (WHICHEVER IS LATER)

Jan. 07, 2015

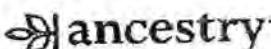
PROCESSING DATE

Feb. 16, 2015

## TRANSACTIONS

CODE	EXPLANATION OF TRANSACTION	CYCLE	DATE	AMOUNT
150	Tax return filed	20150405	02-16-2015	\$553,162.00
n/a	89211-010-07617-5			
805	W-2 or 1099 withholding		04-15-2013	-\$34,646.00
430	Estimated tax payment		09-18-2012	\$100,000.00
766	Credit to your account		04-15-2013	-\$22,897.00
610	Payment with return		01-07-2015	\$395,619.00
176	Penalty for not pre-paying tax	20150405	02-16-2015	\$478.07
166	Penalty for filing tax return after the due date	20150405	02-16-2015	\$89,014.27
276	Penalty for late payment of tax	20150405	02-16-2015	\$41,539.99
196	Interest charged for late payment	20150405	02-16-2015	\$26,216.81
971	Notice issued CP 0014		02-16-2015	\$0.00
670	Payment		03-04-2015	-\$26,216.81
290	Disallowed claim	20153805	10-12-2015	\$0.00
n/a	09254-664-98024-5			
706	Credit transferred in from 1040 201312		01-07-2015	\$130,654.13
197	Reduced or removed interest charged for late payment		10-12-2015	-\$378.20
971	Notice issued CP 0055		10-12-2015	\$0.00
960	Appointed representative		12-08-2015	\$0.00

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*Ex I*

April 25, 2012

## Ancestry.com Inc. to Acquire Archives.com

### "Simple and Affordable" Fast-Growing Start-up Adds Complementary Offering to Ancestry.com

PROVO, Utah, April 25, 2012 (GLOBE NEWSWIRE) -- Ancestry.com Inc. (Nasdaq:ACOM) announced today it has entered into a definitive agreement to acquire Archives.com, a family history website, for approximately \$100 million in cash and assumed liabilities.

This transaction will enable Ancestry.com to add a differentiated service targeted to a complementary segment of the growing family history category. In addition, Ancestry.com will welcome a team of talented engineers, digital marketers, and family history innovators into the Ancestry.com fold and also gain access to a proprietary technology platform that has supported Archives.com's rapid growth.

Archives.com is owned and operated by Inflection LLC, a Silicon Valley-based technology company. Since Archives.com's launch in January 2010, the site has rapidly grown to more than 380,000 paying subscribers who pay approximately \$39.95 a year. Archives.com offers access to over 2.1 billion historical records, including birth records, obituaries, immigration and passenger lists, historical newspapers, and U.S. and U.K. Censuses.

"Archives.com has built a fantastic and fast-growing business that we think is highly complementary to Ancestry.com's online family history offering," said Tim Sullivan, President and Chief Executive Officer of Ancestry.com. "We love their focus on making family history simple and affordable, and we are excited to help the talented Archives.com team continue to grow alongside Ancestry.com, Fold3.com, and Family Tree Maker."

"Family history remains a dynamic and growing online category," added Sullivan. "Archives.com's focus is consistent with our mission to help everyone discover, preserve and share their family history, which will help continue our efforts in delivering amazing discoveries to an even broader audience."

Over the past two years, Archives.com has partnered with multiple well-known family history organizations that have helped build out Archives.com robust collection of family history records. Most recently, Archives.com partnered with the U.S. National Archives to provide free digital access to the recently released 1940 U.S. Federal Census.

"We are proud of the experience we've built with Archives.com and believe strongly in its future potential," said Matthew Monahan, CEO and Co-Founder of Inflection. "Combining with Ancestry.com positions Archives.com to best capitalize on that potential, pairing complementary visions of the marketplace and the opportunity. We've long admired Ancestry.com's content and technology and the innovations that the Ancestry.com team continues to bring to market. We're excited to see how this transaction expands the reach of family history to an even larger audience."

Upon completion of the transaction, which is subject to customary closing conditions, including expiration of the HSR waiting period, Ancestry.com will continue to operate Archives.com separately retaining its brand and website. Multiple Inflection employees, including key product and engineering executives are expected to join the Ancestry.com team.

#### About Ancestry.com

Ancestry.com Inc. (Nasdaq:ACOM) is the world's largest online family history resource, with more than 1.8 million paying subscribers. More than 9 billion records have been added to the site in the past 15 years. Ancestry users have created more than 34 million family trees containing approximately 4 billion profiles. In addition to its flagship site, Ancestry.com offers several localized Web sites designed to empower people to discover, preserve and share their family history.

#### About Archives.com

Archives.com is a leading family history website that makes discovering family history simple and affordable. The company has assembled more than 2.1 billion historical records all in a single location. Archives also partners with other leading family history websites to provide a comprehensive resource for researching your family history. Archives.com is free to try for seven days, allowing anyone to explore the benefits of membership without risk or obligation. For more information and to start discovering your family history, please visit <http://www.archives.com/>.

#### About Inflection

Inflection is a Big Data and e-commerce startup headquartered in the heart of Silicon Valley. Leveraging its proprietary technology platform, the company has built innovative data services like Archives.com, PeopleSmart.com; and Identity.com. Inflection was founded in 2006 and is backed by tier-one venture capitalists Matrix Partners and Sutter Hill Ventures.

#### Forward-looking Statements

This press release contains forward-looking statements. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from those anticipated in these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as "appears," "may," "designed," "expect," "intend," "focus," "seek," "anticipate," "believe," "estimate," "predict," "potential," "should," "continue" or "work" or the negative of these terms or other comparable terminology. These statements include statements concerning among other things, the proposed transaction between Ancestry.com and Archives.com, including the consummation and anticipated timing of the transaction as well as the expected benefits of the proposed transaction, and the effects of the proposed transaction on Ancestry.com, our subscriber base or reach. These forward-looking statements are based on information available to us as of the date of this press release. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. Such risks and uncertainties include a variety of factors, some of which are beyond our control. In particular, such risks and uncertainties include the risk that the transaction does not close when anticipated, or at all; difficulties encountered in integrating acquired businesses and retaining customers, and the additional difficulty of integration when continuing the acquired operation; the adverse impact of competitive product announcements; failure to achieve anticipated revenues and operating performance; changes in overall economic conditions; the loss of key employees; competitors' actions; pricing and gross margin pressures; inability to control costs and expenses; and significant litigation.

Information concerning additional factors that could cause results to differ materially from those projected in the forward-looking statements is contained under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011, and in discussions in other of our SEC filings. These forward-looking statements should not be relied upon as representing our views as of any subsequent date and we assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.

#### CONTACT: Investors:

Ancestry.com Inc.

Deborah Crawford

(801) 705-7942

[dcrawford@ancestry.com](mailto:dcrawford@ancestry.com)

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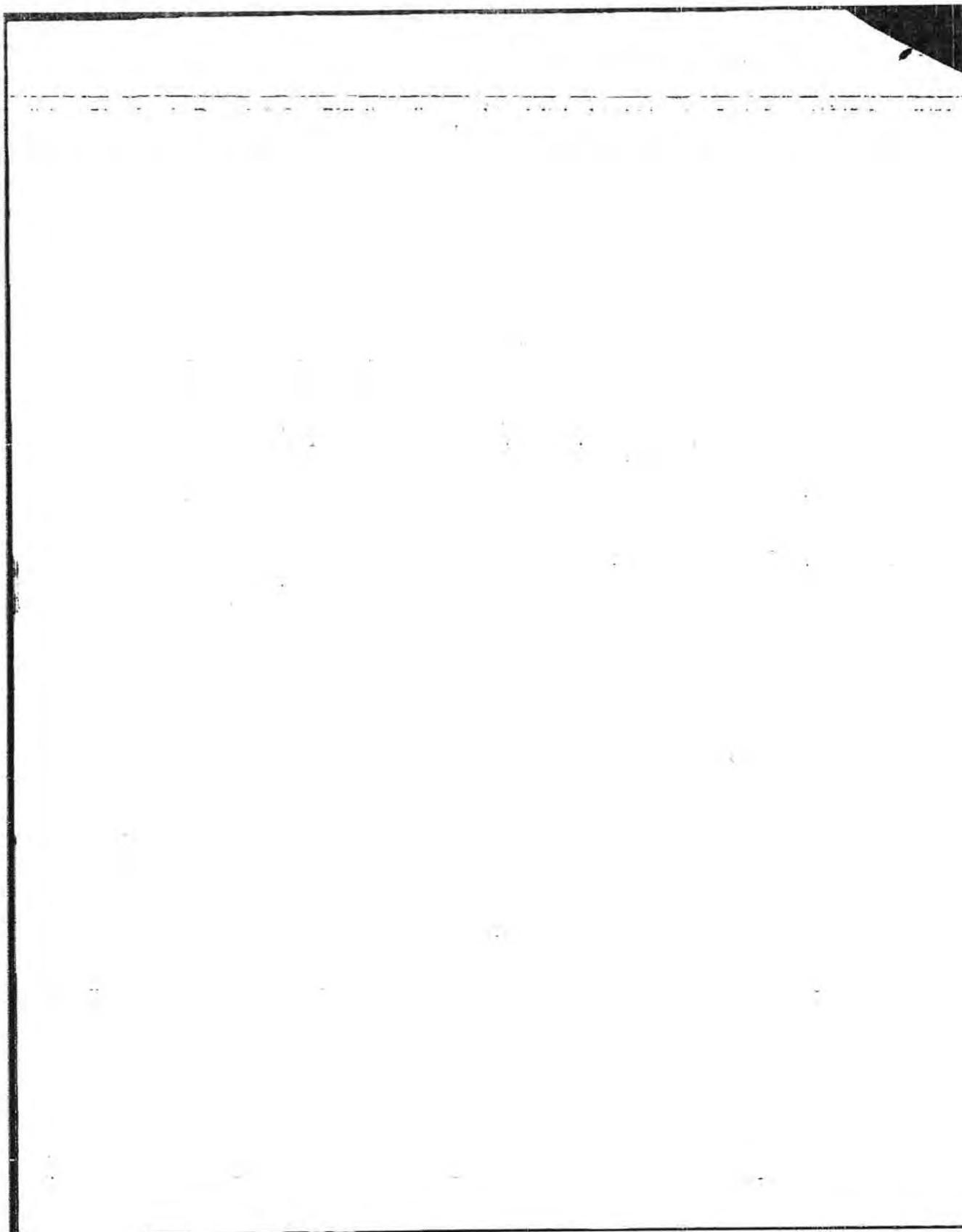
#### Media:

Ancestry.com Inc.

Heather Erickson

(801) 705-7104

[herickson@ancestry.com](mailto:herickson@ancestry.com)



*Ex T*

INFLECTION LLC  
555 TWIN DOLPHIN DRIVE, SUITE 200  
REDWOOD CITY, CA 94065  
(925) 400-8565

April 1, 2013

JOHN SPOTTISWOOD  
John@Inflection.com  
201 ROCKRIDGE ROAD  
SAN CARLOS, CA 94070

RE:  
INFLECTION LLC  
~~██████████~~814  
Schedule K-1 from Partnership's 2012 Return of Income

Dear JOHN SPOTTISWOOD:

Enclosed is your 2012 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from INFLECTION LLC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2012 Federal Return of Partnership Income that was filed with the Internal Revenue Service.  
If you have any questions concerning this information, please contact us immediately.

Sincerely,

INFLECTION LLC

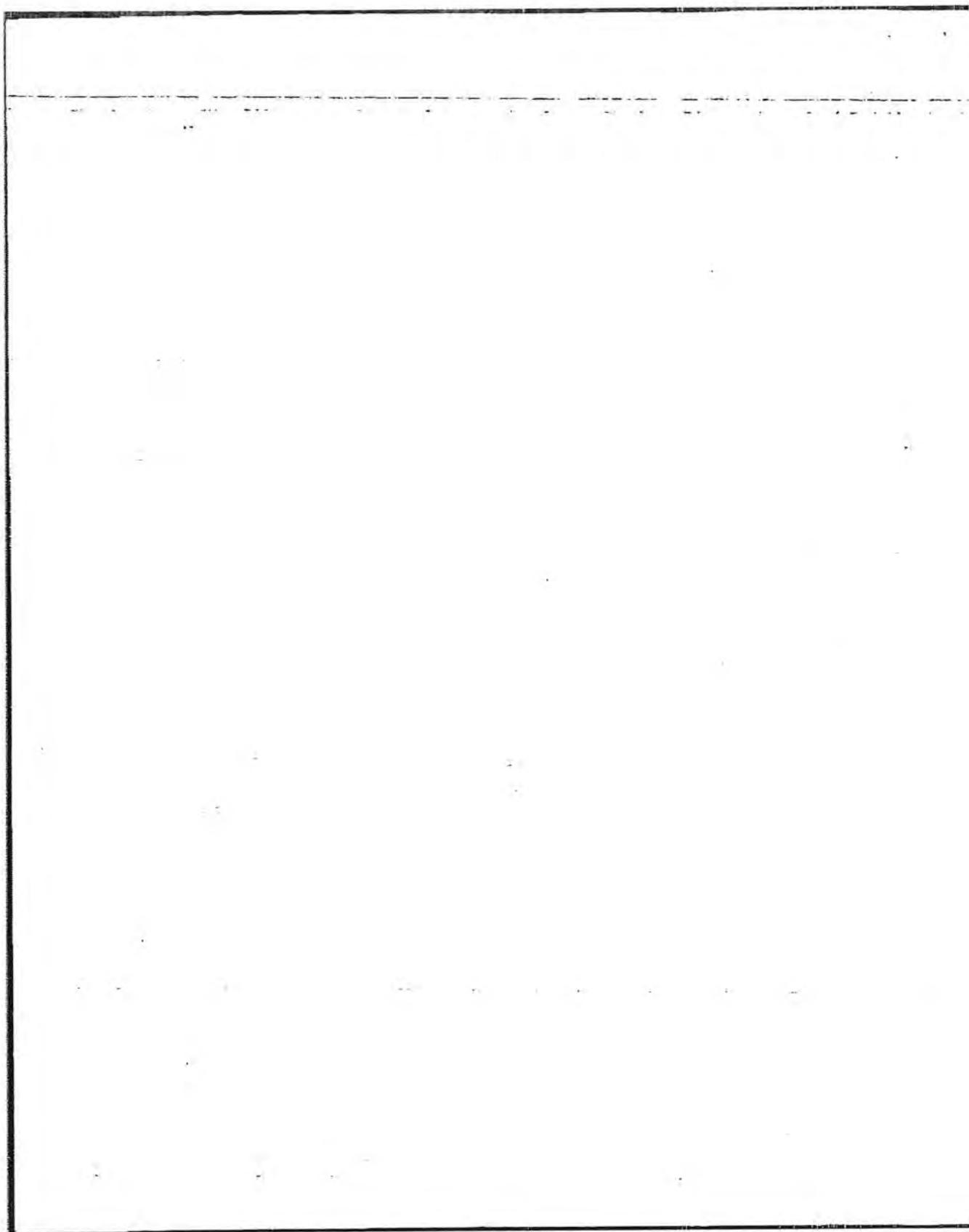
Enclosure(s) \_\_\_\_\_



2012 Partner's Capital Account Reconciliation					
Partnership Name <b>INFLECTION LLC</b>	Employer I.D. number <b>2814</b>				
Name of Partner <b>JOHN SPOTTISWOOD</b>	Partner's I.D. number <b>-8696</b>				
<b>I. SCHEDULE K-1, ITEM L:</b>					
BEGINNING CAPITAL ACCOUNT.....	<b>-813,402</b>				
CAPITAL CONTRIBUTED DURING THE YEAR.....	<b>550,002</b>				
PARTNER'S SHARE OF LINES 3, 4 AND 7, FORM 1065, SCH. M-2:					
NET INCOME (LOSS) PER BOOKS (line 3).....	<b>2,960,806</b>				
OTHER INCREASES (line 4),.....	<b>3,800,049</b>				
OTHER DECREASES (line 7),.....	<b>_____</b>				
TOTAL OF LINES 3, 4, AND 7.....	<b>6,760,855</b>				
WITHDRAWALS AND DISTRIBUTIONS.....	<b>2,959,672</b>				
ENDING CAPITAL ACCOUNT.....	<b>3,537,783</b>				
BOOK TO TAX RECONCILIATION:					
1. Net income (loss) per books .....	<b>_____</b>	6a. Tax-exempt interest.....	<b>_____</b>		
2. Income on Sch. K-1 not on books.....	<b>_____</b>	6b. Income on books not on Sch. K-1.....	<b>_____</b>		
3. Guaranteed payments.....	<b>_____</b>	7a. Depreciation on Sch. K-1 not on books.....	<b>_____</b>		
4a. Depr. on books not on Sch. K-1.....	<b>_____</b>	7b. Deductions on Sch. K-1 not on books.....	<b>_____</b>		
4b. Travel and entertainment.....	<b>_____</b>	8. Total of lines 6 and 7.....	<b>_____</b>		
4c. Other expenses on books not on Sch. K-1.....	<b>_____</b>	9. Tax Income (loss). Line 5 less line 8.....	<b>_____</b>		
5. Total of lines 1 through 4 .....	<b>_____</b>				
M-3: BOOK INCOME 2,960,806.	GUAR. PMTS. 2,960,806.	TEMP DIFFS. 1,163,369.	PERM. DIFFS. 817.	TAXABLE INC. 4,124,992.	
<b>II. ANALYSIS OF PARTNER'S TAX INCOME (LOSS) FROM SCHEDULE K-1:</b>					
<b>A. INCOME</b>		<b>B. DEDUCTIONS</b>			
1. Ordinary business income or (loss).....	<b>339,098</b>	12. Section 179 deduction.....	<b>_____</b>		
2. Net rental real estate income (loss).....	<b>_____</b>	13. Charitable contributions.....	<b>1,462</b>		
3. Other net rental income (loss).....	<b>_____</b>	13. Investment interest expense.....	<b>_____</b>		
4. Guaranteed payments.....	<b>_____</b>	13. Section 59(e)(2) expenditures.....	<b>_____</b>		
5. Interest income .....	<b>2,752</b>	13. Other deductions .....	<b>_____</b>		
6a. Dividends.....	<b>_____</b>	16. Total foreign taxes.....	<b>_____</b>		
7. Royalties.....	<b>_____</b>	Total deductions .....	<b>1,462</b>		
8. Net short-term capital gain (loss).....	<b>_____</b>				
9a. Net long-term capital gain (loss).....	<b>3,784,604</b>				
10. Net gain (loss) under section 1231.....	<b>_____</b>				
11. Other income .....	<b>4,126,454</b>				
Total Income.....	<b>4,126,454</b>	TAX INCOME (LOSS). Item A less Item B.....	<b>4,124,992</b>		

PARTNER 9

PTPL0901L 060112



**Schedule K-1  
(Form 1065)**
**2012**Department of the Treasury  
Internal Revenue ServiceFor calendar year 2012, or tax  
year beginning \_\_\_\_\_, 2012  
ending \_\_\_\_\_.
**Partner's Share of Income, Deductions,  
Credits, etc.**

&gt; See separate instructions.

**Part I Information About the Partnership**

A Partnership's employer identification number

62814

B Partnership's name, address, city, state, and ZIP code

INFLECTION LLC  
555 TWIN DOLPHIN DRIVE, SUITE 200  
REDWOOD CITY, CA 94065

C IRS Center where partnership filed return

E-FILE

D  Check if this is a publicly traded partnership (PTP)
**Part II Information About the Partner**

E Partner's identifying number

58696

F Partner's name, address, city, state, and ZIP code

JOHN SPOTTISWOOD  
JOHN@INFLECTION.COM  
201 ROCKRIDGE ROAD  
SAN CARLOS, CA 94070G  General partner or LLC  
member-manager  Limited partner or other  
LLC memberH  Domestic partner  Foreign partner

I What type of entity is this partner? (see instr) INDIVIDUAL

J If this partner is a retirement plan (IRA/SEP/Keogh/etc),  
check here (see instructions). 

K Partner's share of profit, loss, and capital (see instructions):

Beginning	Ending
Profit 3.027274 %	3.470666 %
Loss 3.027274 %	-3.470666 %
Capital 3.027274 %	3.470666 %

L Partner's share of liabilities at year end:

Nonrecourse .....	\$ _____
Qualified nonrecourse financing .....	\$ _____
Recourse .....	\$ _____

M Partner's capital account analysis:

Beginning capital account .....	\$ -813,402.
Capital contributed during the year .....	\$ 550,002.
Current year increase (decrease) .....	\$ 6,760,855.
Withdrawals and distributions .....	\$ ( 2,959,672.)
Ending capital account .....	\$ 3,537,783.

 Tax basis  GAAP  Section 704(b) book  
 Other (explain) \_\_\_\_\_

N Did the partner contribute property with a built-in gain or loss?

 Yes  No  
 If 'Yes', attach statement (see instructions)

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

PARTNER 9

<input type="checkbox"/> Final K-1	<input type="checkbox"/> Amended K-1	b51112
OMB No. 1545-0395		
<b>Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items</b>		
1 Ordinary business income (loss)	15 Credits	
339,098.	M	6,809.
2 Net rental real estate income (loss)		
3 Other net rental income (loss)	16 Foreign transactions	
4 Guaranteed payments		
5 Interest income	2,752.	
6a Ordinary dividends		
6b Qualified dividends		
7 Royalties		
8 Net short-term capital gain (loss)		
9a Net long-term capital gain (loss)	17 Alternative minimum tax (AMT) items	
3,784,604.	A	1,713.
9b Collectibles (28%) gain (loss)		
9c Unrecaptured section 1250 gain		
10 Net section 1231 gain (loss)	18 Tax-exempt income and nondeductible expenses	
3,784,604.	C*	678.
11 Other income (loss)		
12 Section 179 deduction	19 Distributions	
1,462.	A	2,959,672.
13 Other deductions	20 Other information	
1,462.	A	2,752.
14 Self-employment earnings (loss)	L* STMT	

\*See attached statement for additional information.

FOR  
IRS  
USE  
ONLY

Schedule K-1 (Form 1065) 2012

PTPA0312L 01/02/13



## Schedule K-1 (Form 1065) 2012 INFLECTION LLC 52-2814

Page 2

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

	<i>Report on</i>	<i>Code</i>	<i>Report on</i>
1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows:		J Work opportunity credit K Disabled access credit L Empowerment zone and renewal community employment credit M Credit for increasing research activities N Credit for employer social security and Medicare taxes O Backup withholding P Other credits	See the Partner's Instructions
Passive loss	See the Partner's Instructions		
Passive income	Schedule E, line 28, column (D)		
Nonpassive loss	Schedule E, line 28, column (H)		
Nonpassive income	Schedule E, line 28, column (I)		
2 Net rental real estate income (loss). See the Partner's Instructions			
Other net rental income (loss)			
Net income	Schedule E, line 28, column (G)		
Net loss	See the Partner's Instructions		
4 Guaranteed payments	Schedule E, line 28, column (D)		
5 Interest income	Form 1040, line 8a		Form 1116, Part I
6 a Ordinary dividends	Form 1040, line 9a		
6 b Qualified dividends	Form 1040, line 9b		
7 Royalties	Schedule E, line 4		
8 Net short-term capital gain (loss)	Schedule D, line 5		
9 a Net long-term capital gain (loss)	Schedule D, line 12		
9 b Collectibles (28%) gain (loss)	25% Rals Gain Worksheet, line 4 (Schedule D Instructions)		
9 c Unrecaptured section 1250 gain	See the Partner's Instructions		
10 Net section 1231 gain (loss)	See the Partner's Instructions		
11 Other income (loss)	Code		
A Other portfolio income (loss)	See the Partner's Instructions	J Passive category	Form 1116, Part I
B Involuntary conversions	See the Partner's Instructions	K General category	
C Section 1256 contracts and straddles	Form 5781, line 1	K Other	
D Mining exploration costs recapture	See Pub 535	Other information	
E Cancellation of debt	Form 1040, line 21 or Form 982	L Total foreign taxes paid	Form 1116, Part II
F Other income (loss)	See the Partner's Instructions	M Total foreign taxes accrued	Form 1116, Part II
T2 Section 179 deduction	See the Partner's Instructions	N Reduction in taxes available for credit	Form 1116, line 12
T3 Other deductions	See the Partner's Instructions	O Foreign trading gross receipts	Form 8273
A Cash contributions (50%)	Form 4952, line 1	P Extraterritorial income exclusion	Form 8873
B Cash contributions (30%)	Schedule E, line 19	Q Other foreign transactions	See the Partner's Instructions
C Noncash contributions (30%)	See the Partner's Instructions	17 Alternative minimum tax (AMT) items	
D Noncash contributions (30%)	Schedule A, line 23	A Post-1986 depreciation adjustment	
E Capital gain property to a 50% organization (30%)	Schedule A, line 1 or Form 1040, line 29	B Adjusted gain or loss	
F Capital gain property (20%)	See the Partner's Instructions	C Depletion (other than oil & gas)	
G Contributions (100%)	Form 4952, line 1	D Oil, gas, & geothermal — gross income	
H Investment interest expense	Schedule E, line 19	E Oil, gas, & geothermal — deductions	
I Deductions — royalty income	See the Partner's Instructions	F Other AMT items	
J Section 59(e)(2) expenditures	Schedule A, line 23	18 Tax-exempt income and nondeductible expenses	
K Deductions — portfolio (2% floor)	Schedule A, line 1 or Form 1040, line 29	A Tax-exempt interest income	Form 1042, line 5b
L Deductions — portfolio (other)	See the Partner's Instructions	B Other tax-exempt income	See the Partner's Instructions
M Amounts paid for medical insurance	See Form 8552 Instructions	C Nondeductible expenses	See the Partner's Instructions
N Educational assistance benefits	See the Partner's Instructions	19 Distributions	
O Dependent care benefits	Form 2441, line 12	A Cash and marketable securities	
P Preproductive period expenses	See the Partner's Instructions	B Distribution subject to section 737	
Q Commercial revitalization deduction from rental real estate activities	See Form 8552 Instructions	C Other property	
R Pensions and IRAs	See the Partner's Instructions	20 Other information	
S Restoration expense deduction	See the Partner's Instructions	A Investment income	Form 4952, line 4a
T Domestic production activities information	See Form 8903 Instructions	B Investment expenses	Form 4952, line 5
U Qualified production activities income	Form 8903, line 7b	C Fuel tax credit information	Form 4136
V Employer's Form W-2 wages	Form 8903, line 17	D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
W Other deductions	See the Partner's Instructions	E Basis of energy property	See the Partner's Instructions
14 Self-employment earnings (loss)		F Recapture of low-income housing credit (section 42)(5)	Form 8611, line B
Notes. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		G Recapture of low-income housing credit (other)	Form 8611, line B
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	H Recapture of investment credit	See Form 4255
B Gross farming or fishing income	See the Partner's Instructions	I Recapture of other credits	See the Partner's Instructions
C Gross non-farm income	See the Partner's Instructions	J Look-back interest — completed long-term contracts	See Form 8557
15 Credits		K Look-back interest — income forecast method	See Form 8866
A Low-income housing credit (section 42)(5) from pre-2008 buildings		L Dispositions of property with section 179 deductions	
B Low-income housing credit (other) from pre-2008 buildings		M Recapture of section 179 deduction	
C Low-income housing credit (section 42)(5) from post-2007 buildings		N Interest expense for corporate partners	
D Low-income housing credit (other) from post-2007 buildings		O Section 453(l)(3) information	
E Qualified rehabilitation expenditures (rental real estate)		P Section 453A(c) information	
F Other rental real estate credits		Q Section 1250(b) information	
G Other rental credits		R Interest allocable to production expenditures	
H Undistributed capital gains credit	Form 1040, line 71; check box a	S CO2 nonqualified withdrawals	
I Alcohol and cellulosic biofuel fuels credit	See the Partner's Instructions	T Depiction information — oil and gas	

PARTNER 9: JOHN SPOTTISWOOD 52-2814-B696

PTPA0312L 01/02/13 Schedule K-1 (Form 1065) 2012



INFLECTION LLC 52814

SCHEDULE K-1 (FORM 1065) 2012

## SUPPLEMENTAL INFORMATION

PAGE 3

**BOX 18  
OTHER TAX-EXEMPT INCOME AND NONDEDUCTIBLE EXPENSES****\* DESCRIPTIVE INFORMATION**

C DISALLOWED TRAVEL AND ENTERTAINMENT.....	\$ 678.
--	---------

**BOX 20, CODE L  
DISPOSITION OF ASSETS WITH PRIOR SECTION 179 EXPENSE**

ASSET DESCRIPTION..... COMPUTERS	
TAX YEAR(S) PASSED THROUGH.... 2007	
DATE ACQUIRED.....	7/01/2007
DATE SOLD.....	VARIOUS
SALES PRICE.....	0.
COST OR OTHER BASIS PLUS EXPENSE OF SALE.....	29.
DEPRECIATION ALLOWED OR ALLOWABLE.....	0.
SECTION 179 EXPENSE DEDUCTION PREVIOUSLY REPORTED.....	29.

**SUPPLEMENTAL INFORMATION****ITEMS ON K-1 UNRELATED BUSINESS TAXABLE INCOME**

LINE 1 - 100%
LINE 5 - 0%
LINE 10 - 100%
LINE 13A - 100%
LINE 15M - 100%
LINE 17A - 100%
LINE 17B - 100%
LINE 17F - 100%

THE AMOUNT IN THE BOX L, LINE CURRENT YEAR INCREASE (DECREASE) REPRESENTS YOUR SHARE OF CURRENT YEAR BOOK INCOME AND AN ADJUSTMENT TO CONVERT YOUR CAPITAL ACCOUNT FROM GAAP BASIS TO SECTION 704(B) BASIS

PARTNER 9: JOHN SPOTTISWOOD [REDACTED] -8696  
SPSL1201L 05/21/12

**TAXABLE YEAR Member's Share of Income,  
2012 Deductions, Credits, etc.**
**CALIFORNIA SCHEDULE  
K-1 (568)**

For calendar year 2012 or fiscal year beginning month		day	year 2012, and ending month	day	year										
Member's identifying number		8696	LLC's FEIN 52814												
Member's name, address, city, state, and ZIP Code		California Secretary of State file number 200715910170													
JOHN SPOTTISWOOD JOHN@INFLECTION.COM 201 ROCKRIDGE ROAD SAN CARLOS, CA 94070		LLC's name, address, city, state, and ZIP Code  INFLECTION LLC 555 TWIN DOLPHIN DRIVE, SUITE 200 REDWOOD CITY, CA 94065													
<b>A What type of entity is this member?</b>															
(1) <input checked="" type="checkbox"/> Individual      (5) <input type="checkbox"/> General Partnership      (9) <input type="checkbox"/> IRA/Keogh/SEP (2) <input type="checkbox"/> S Corporation      (6) <input type="checkbox"/> Limited Partnership      (10) <input type="checkbox"/> Exempt Organization (3) <input type="checkbox"/> Estate/Trust      (7) <input type="checkbox"/> LLP      (11) <input type="checkbox"/> Disregarded Entity															
<b>B Is this member a foreign member?</b> * Yes <input checked="" type="checkbox"/> No															
<b>C Enter member's percentage (without regard to special allocations) of:</b>															
Profit sharing		(i) Before decrease or termination	(ii) End of year												
3.0273 %		3.4707 %													
Loss sharing		(i) Before decrease or termination	(ii) End of year												
3.0273 %		3.4707 %													
Ownership of capital		(i) Before decrease or termination	(ii) End of year												
3.0273 %		3.4707 %													
<b>D Member's share of liabilities:</b>															
Nonrecourse ..... * \$ _____ Qualified nonrecourse financing ..... * \$ _____ Other ..... * \$ _____															
<b>E Reportable transaction or tax shelter registration number(s):</b> _____															
<b>F</b> (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2) <input type="checkbox"/> (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1) <input type="checkbox"/>															
<b>G Check here if this is:</b> (1) <input type="checkbox"/> A final Schedule K-1 (568)      (2) <input type="checkbox"/> An amended Schedule K-1 (568)															
<b>H Is this member a resident of California?</b> * X Yes ► No															
<b>CA APPORTIONMENT PERCENT:</b> 92.2676															
<b>I Analysis of member's capital account: Check the box</b> * (1) Tax Basis (2) GAAP (3) X Sec 704(b) Book (4) Other (explain)															
<table border="1"> <thead> <tr> <th>(a) Capital account at beginning of year</th> <th>(b) Capital contributed during year</th> <th>(c) Member's share of line 3, line 4, and line 7 Form 568, Schedule M-2</th> <th>(d) Withdrawals and distributions</th> <th>(e) Capital account at end of year, combine column (a) through column (d)</th> </tr> </thead> <tbody> <tr> <td>* -813,399.</td> <td>550,002.</td> <td>6,930,158.</td> <td>( 2,959,672.)</td> <td>3,707,089.</td> </tr> </tbody> </table>						(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Member's share of line 3, line 4, and line 7 Form 568, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year, combine column (a) through column (d)	* -813,399.	550,002.	6,930,158.	( 2,959,672.)	3,707,089.
(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Member's share of line 3, line 4, and line 7 Form 568, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year, combine column (a) through column (d)											
* -813,399.	550,002.	6,930,158.	( 2,959,672.)	3,707,089.											
Caution: Refer to Member's Instructions for Schedule K-1 (568) before entering information from this schedule on your California return.															
<b>Income (Loss)</b>	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c) where applicable	(e) California source amounts and credits										
	1 Ordinary income (loss) from trade or business activities.....	339,098.	-15,713.	* 323,385.	298,380.										
	2 Net income (loss) from rental real estate activities.....														
	3 Net income (loss) from other rental activities.....														
	4 Guaranteed payments to members.....														
	5 Interest income.....	2,752.		* 2,752.	2,539.										
	6 Dividends.....														
	7 Royalties.....														
	8 Net short-term capital gain (loss).....														
	9 Net long-term capital gain (loss).....														
	10a Total gain under IRC Section 1231 (other than due to casualty or theft).....	3,784,604.	58.	* 3,784,662.	3,492,017.										
	10b Total loss under IRC Section 1231 (other than due to casualty or theft).....		70.	* 70.	65.										
11a Other portfolio income (loss). Attach schedule.....															
11b Total other income. Attach schedule.....															
11c Total other loss. Attach schedule.....															

MEMBER 9

CALA0212L 12/24/12

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Schedule K-1 (568) 2012 Side 1

## INFLECTION LLC

56-2552814

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine column (b) and column (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268).	-	-	-	-
	13a Charitable contributions..... PG .4	1,462.		1,462.	
	b Investment interest expense.....				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply.....				
	2 Type of expenditures.....				
	d Deductions related to portfolio income Attach schedule.....				
Credits	e Other deductions. Attach schedule.....				
	15a Total withholding (equals amount on Form 592-B if calendar year LLC).....				
	b Low-income housing credit.....				
	c Credits other than line 15b related to rental real estate activities. Attach schedule.....				
	d Credits related to other rental activities. Attach schedule.....				
	e Nonconsenting nonresident member's tax paid by LLC.....				
	f Other credits — Attach required sched- ules or statements..... PG .4			6,498.	5,996.
Alternative Minimum Tax (AMT) Items	g New jobs credit.....				
	17a Depreciation adjustment on property placed in service after 1985.....	1,713.	2,110.	3,823.	3,527.
	b Adjusted gain or loss.....				
	c Depletion (other than oil and gas).....				
	d Gross income from oil, gas, and geothermal properties.....				
	e Deductions allocable to oil, gas, and geothermal properties.....				
Tax- exempt Income and Nondeductible Expenses	f Other alternative minimum tax items. Attach schedule.....				
	18a Tax-exempt interest income.....				
	b Other tax-exempt income.....				
	c Nondeductible expenses..... PG .4	678.	28.	706.	651.
Distributions	19a Distributions of money (cash and marketable securities).....	2,959,672.		2,959,672.	
	b Distributions of property other than money.....	-			
Other Information	20a Investment income .....	2,752.		2,752.	2,539.
	b Investment expenses .....				
	c Other information. See instructions.....			SEE ATTACHED	

MEMBER 9: JOHN SPOTTISWOOD [REDACTED] -8696

**INFLECTION LLC**

52914

**Other Member Information****Table 1 – Member's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the member):**

Interest \$ _____	Sec 1231 Gains/Losses \$ _____	Capital Gains/Losses \$ _____
Dividends \$ _____	Royalties \$ _____	Other \$ _____

**FOR USE BY MEMBERS ONLY – See instructions.****Table 2 – Member's share of distributive items:****A Member's share of the LLC's business income. See instructions \$ \_\_\_\_\_****B Member's share of nonbusiness income from real and tangible personal property sourced or allocable to California.**

Capital Gains/Losses \$ _____	Rents/Royalties \$ _____
Section 1231 Gains/Losses \$ _____	Other \$ _____

**C Member's distributive share of the LLC's property, payroll, and sales: California Sales – Doing Business Test \$ \_\_\_\_\_**

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual rent expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

MEMBER 9: JOHN SPOTTISWOOD 52914-8696

CALAO212L 12/24/12

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Schedule K-1 (568) 2012 Side 3

INFLECTION LLC [REDACTED] 52814

SCHEDULE K-1 (FORM 568) 2012

## SUPPLEMENTAL INFORMATION (CONTINUED)

PAGE 4

**LINE 13A, COLUMN (D)  
CHARITABLE CONTRIBUTIONS**

CASH CONTRIBUTIONS - 50% LIMITATION.....	\$ 1,462.
<b>TOTAL \$</b>	<b><u>1,462.</u></b>

**LINE 15F, COLUMN (D)  
OTHER CREDITS**

CALIFORNIA RESEARCH CREDIT*.....	\$ 6,498.
<b>TOTAL \$</b>	<b><u>6,498.</u></b>

\*THE CALIFORNIA RESEARCH CREDIT MUST BE REDUCED BY THE  
PARTNER'S/MEMBER'S APPLICABLE CREDIT REDUCTION PERCENTAGE.

**LINE 18C, COLUMN (D)  
NONDEDUCTIBLE EXPENSES**

DISALLOWED TRAVEL AND ENTERTAINMENT.....	\$ 678.
FORM 565/568 TAX.....	28.
<b>TOTAL \$</b>	<b><u>706.</u></b>

**LINE 20C - COLUMN D  
OTHER INFORMATION**

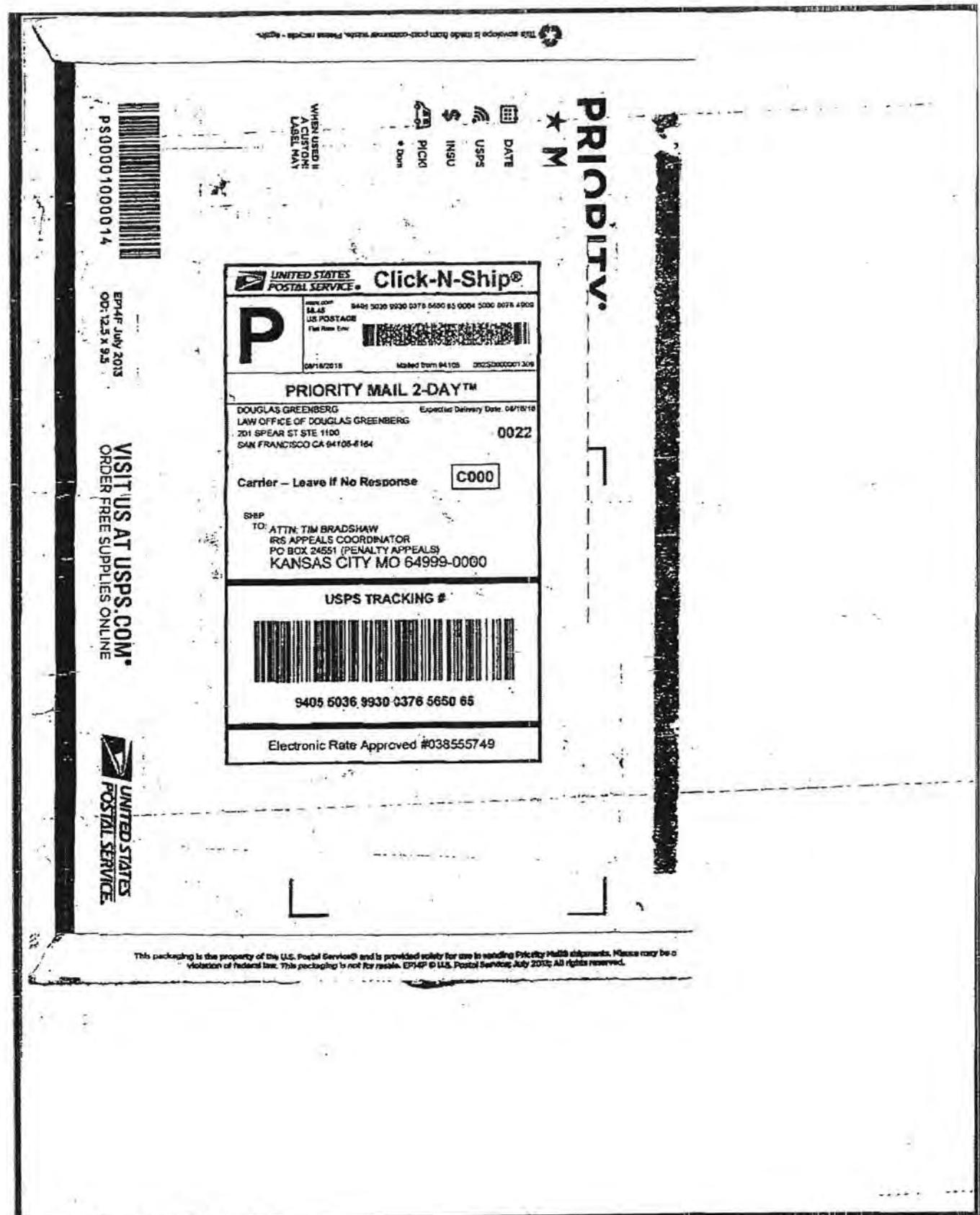
PROPORTIONATE INT. OF AGGREGATE GROSS RECEIPTS.....	\$ 5,954,720.
<b>TOTAL \$</b>	<b><u>5,954,720.</u></b>

**SUPPLEMENTAL INFORMATION  
DISPOSITION OF ASSETS WITH PRIOR SECTION 179 EXPENSE**

ASSET DESCRIPTION..... COMPUTERS	
TAX YEAR(S) PASSED THROUGH.... 2007	
DATE ACQUIRED.....	7/01/2007
DATE SOLD.....	VARIOUS
SALES PRICE.....	0.
STATE COST OR OTHER BASIS PLUS EXPENSE OF SALE.....	29.
STATE DEPRECIATION ALLOWED OR ALLOWABLE.....	0.
STATE SECTION 179 EXPENSE DEDUCTION PREVIOUSLY REPORTED.....	29.

MEMBER 9: JOHN SPOTTISWOOD [REDACTED] 8696  
SPSL1201L 05/21/12





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